



Strokes of Genius:
Phelps' Golden
Bonanza in Beijing

Tough Crowd: Al
Franken's Serious
Humor Problem



Hollywood's Retro
Revolution: 3-D
Movies Are Back

TIME

Russian
soldier on
road to Tbilisi

How to Stop a New Cold War

What Russia's invasion of Georgia
tells us about today's world

BY ZBIGNIEW BRZEZINSKI

HELLO MY NAME IS



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On the cover: Photo-Illustration based on photograph by Umit Bektas—Reuters. Insets, from left: Heinz Klutmeier—SPORTS ILLUSTRATED; Ellen Weinstein for TIME

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10 Questions. The Oscar winner seduces audiences in *Vicky Cristina Barcelona*. **Javier Bardem will now take your questions**



Next Questions
Ask Bobby Jindal your questions for an upcoming interview, at time.com/10questions

Was it exciting or frightening to work with Woody Allen?

Pranav Prasad, HONG KONG
Both. There's excitement because I think he's a genius, but there's also the fear of making his work look bad. The excitement also comes from knowing that you have brilliant dialogue coming out of your mouth like jewels.

Are there any actors you're dying to work with?

Kathryn Coulter, ALEXANDRIA, VA.
I always say, "I don't believe in God, I believe in Al Pacino"—and that's true. If I ever get a phone call saying "Would you like to work with Pacino?" I would go crazy.

Are you ever worried about being typecast?

Dan Ostrowski, NEW YORK CITY
I'm not worried. I always try different things. My dream would be, when I'm old, to put all of my characters in a room and realize that they can't talk to each other because they don't have anything to share.

Growing up in a family of actors and artists, did you feel compelled to become a performer?

Jenny Posen, LOS ANGELES
No. Growing up, I studied painting. I started working as an extra to get some money so that I could keep painting. But I guess it was in my blood. I went to my mother, who is an actress, and said, "I think I'm an actor whether I like it or not."

Is it more fun to play a villain or a romantic lead?

Randy Arnold, CHATTANOOGA, TENN.



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J. BARDÉM
Good Luck!!

I try to taste both of them with the same intensity. If you're playing a bad guy whose mind is broken, you have to get in there and find out what triggers those feelings. And once you're on the other side, you have to take that and throw it away. Somebody said, "The difference between an artist and a person that's crazy is that the artist has a two-way ticket and the crazy person only has a one-way."

As film-marketing and -financing become more international, do you believe that opportunities for non-American actors have kept pace?

Walter F. Kawalec III, TURNERSVILLE, N.J.
I think so. Last year's Oscars [in which all four acting awards went to Europeans] spoke so

well of the American film industry. At the end of the day, it's about opening up your arms and receiving the world rather than putting up walls. That's what makes this job so great and so unique. You are obliged to share these experiences with people from all over the world.

Is rehearsing for an English-speaking role any different from rehearsing for a Spanish-speaking role?

Leslie Allan Lugo, MONTREAL
Totally. It needs more work. I'm much more comfortable with English now than I was four or five years ago. But I still need to work hard in order to own the language, own the words. It's a matter of sitting down with a great dialect coach and learning little by lit-

tle. And it takes time, but I love the work. I'm not lazy. I can be everything, but I'm not lazy.

Do you still play rugby?

James Cho, BEVERLY HILLS, CALIF.
I'm a huge rugby fan, but I'm old. I started playing it when I was 9 years old, and I played until I was 23. Rugby nowadays is so different. When I was playing, it was like a little thin man holding the ball and going down the field. Now they run like gazelles. They are machines. It's spectacular.

You have a unique voice. Do you sing?

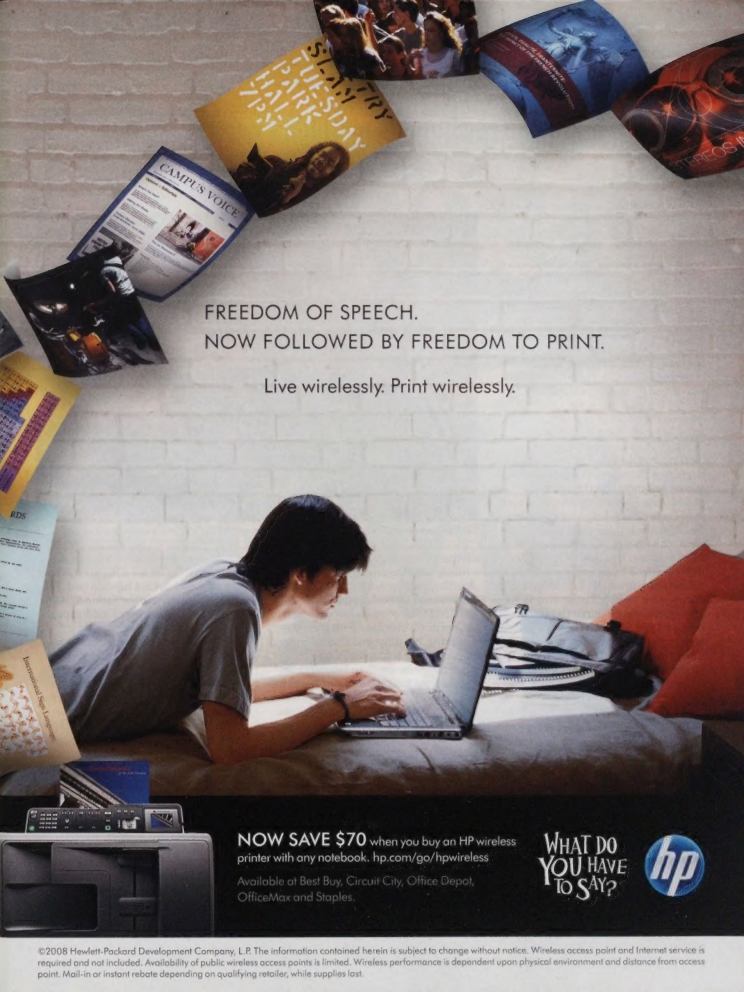
Wasan Suttikaseem, BANGKOK
Thank you, though I don't know what you mean by unique. It could be a unique horrible voice or a unique beautiful voice. My voice comes from my big neck. No, I don't sing. I was close to singing in this movie, but I'm a nice boy, and I didn't want people to suffer.

Have you learned to drive yet?

Lucy Dagostino, POINT PLEASANT, N.J.
If you see this movie, you'll see me driving one of the nicest cars I've ever seen. It took me hours just to learn to drive one little trip from here to there, but I finally did it. I don't have a driver's license. I don't like cars. I've never had an accident, but I think cars are speeding bullets. I learned to drive for the movies.




VIDEO AT TIME.COM
To watch a video interview with **Javier Bardem** and to subscribe to the **10 Questions** podcast on iTunes, go to time.com/10questions



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WHAT DO
YOU HAVE
TO SAY?



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Postcard: Beijing.

While China's Old Guard celebrates the Olympics as a sign of how far the country has come, its young elite looks to the future. **Dinners and revolutions in China's capital**

BY BILL POWELL



Olympics 2008

For complete coverage of the Beijing Games, visit time.com/olympics

THE ROAD TO BEIJING

MAO ZEDONG ONCE WROTE THAT a revolution is not a dinner party, so it's probably a good thing that he wasn't around on the Saturday evening following the Beijing Olympics' opening ceremonies.

Amid the gardens of Jianfu Palace, tucked away in the northwest corner of the Forbidden City, the power brokers who forged the ties that today bind China and the U.S. gathered to put a punctuation mark on the end of an era—and make it an exclamation point, not a period.

Jianfu's formal name translates as the Garden of the Palace of Established Happiness, its choice an elegant if subtle acknowledgment that the Americans present contributed to this extraordinary moment in China's long history. Henry Kissinger, the architect of U.S. rapprochement with China in 1972, was there. So, too, was former President George H.W. Bush, who took considerable political risks at home to rebuild Sino-American relations in the wake of Tiananmen Square. Also present were Maurice (Hank) Greenberg, a former AIG chief executive and one of the earliest and most aggressive U.S. investors in China, and a legion of American CEOs. But Bush and Kissinger were the focal points. Both men, now octogenarians, are literally old friends of China. And this "was a moment to thank them," said a Chinese participant, "and in a sense say farewell."

The guests from China's business and government establishment, led by 69-year-old former Vice Premier Wu Yi, were a bit younger but not by much. In a China dominated by the Communist Party, leadership is chosen—and replaced—by generation. Dinner was served by scores of waitresses clad in tight-fitting *qipao*. The guests listened to traditional Chinese music, and they sat through toast after toast.

The evening was a reminder that the Games are about more than sporting prowess. They reveal signs and symbols



Let the Games begin Beijing's opening ceremonies welcomed Olympians to a new China

of where China is going. Almost simultaneously with the dinner in the Forbidden City, another A-list affair celebrated the Olympic kickoff. In the shadow of the Great Wall 30 miles (about 50 km) to the north, China's next generation was gathering. Pan Shiyi and Zhang Xin are considered the It couple among China's new entrepreneurs. Both in their mid-

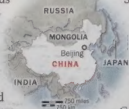
40s, the husband-and-wife team run SOHO China, the largest private real estate developer in central Beijing. That night, at a resort development known as the Commune, the couple hosted dinner for a thousand of their closest friends. Robin Li, the young CEO of Baidu, China's Google, was there. Also on hand were Wendi Deng and her husband Rupert Murdoch. As at Jianfu, the list went on: movie stars, models, foreign-media big shots—this was a celebration of the next China, at an Olympic Games that will forever demarcate the country's past from its future.

The guests, many wearing fluorescent red stars—the SOHO logo—sipped champagne and listened to rock bands and

rappers—at one point dancing, memorably, to Martin Luther King's "I Have a Dream" speech set to a hip-hop beat. You wouldn't hear that in the Forbidden City.

Here was China's new Establishment-in-waiting, and in style and attitude, it could not have been more different from the Old Guard bidding its Western counterparts farewell at Jianfu Palace. Many young elites have been educated in the West and worked there. (Zhang went to Cambridge and worked at Goldman Sachs.) They are not merely comfortable in hip, international settings; they are creating them.

But the crowd was still inextricably linked to the elderly power brokers dining more stiffly to the south. In China, respect for your elders is even more important than making money. And as Baidu CEO Li told a friend, parties like the one at the Commune—like the Olympics themselves—don't arise out of thin air. Nothing about China in the late summer of 2008 was preordained. "Without them," he says, referring to the generation saying their goodbyes at the Forbidden City, "without what they have done, we don't exist."



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MOMENTS THAT
CHANGED
the game



WAVE BREAKERS

FROM THE INTRODUCTION OF goggles and aerodynamic swimwear to the development of sophisticated timekeeping devices, no invention revolutionized competitive swimming more than antiwave lane lines. Competition pools were awash in swimmer's wake until lines were first patented in 1967. The wave-quelling lines were made up of a series of paddle-wheel floats and haven't changed significantly over the last 40 years.

Want to read about other moments that have changed competitive swimming?

Visit SI.COM/MOMENTS for insight, including:

- Video
- Writers' commentary
- Fan reaction

Inbox

Capitalism 2.0

I AM GLAD THAT PEOPLE LIKE BONO AND Bill Gates are endorsing the practice of spreading corporate profits among the world's disadvantaged and helping convince the business elite that it is in their interest to care about the world's less fortunate [Aug. 11]. Both individuals have used their influence to do great things. But let's not forget that our elected representatives must be the ones held responsible for protecting the poor. Since the government must set a minimum wage for justice's sake, perhaps it can set maximums for corporate profits or individual salaries and offer incentives for the rich to give back.

Ralph Scheidler, FORT FAIRFIELD, MAINE

GATES' ARTICLE MADE ME WANT TO STAND up and cheer. As he phrased it, "There are two great forces of human nature: self-interest and caring for others." By using his own wealth and influence to respond to world poverty in a meaningful way, Gates exemplifies the latter force. His initiatives (sharing technology, providing small-business loans, eradicating preventable diseases) make measurable differences. Thank you for providing a forum for him to share his ideas.

Rebecca E. Hight, PENNEY FARMS, FLA.

WHILE BILL GATES DOES A FINE JOB OUTLINING his creative capitalism initiative, his exclusive focus on developing nations

at the expense of his own is a tremendous oversight. Corporations in developed countries certainly should feel socially responsible for those in developing ones. But if they ever want to be taken seriously as agents of social change, they need to consider their own economies as well. Gates is incorrect to brush over the U.S.'s economic woes so lightly, especially when creative capitalism could potentially solve some problems like our own oft-neglected poverty. Only when America proves that capitalism can cure social ills within its own borders should it start looking to prove so abroad.

Regina Tavani, NASHUA, N.H.

Hollywood's Ticking Time Bomb

I AGREE WITH JAMES PONIEWOZIK'S ASSESSMENT that Hollywood has yet to demonize China in the same way the news media have [Aug. 11]. However, one need only look at the parallels between negative news coverage and negative pop-culture depictions of Arabs and the Middle East during the past decade, or similar coverage of the Japanese during World War II, to see how closely one influences the other and how both influence the minds of the American people in different ways. The current political climate suggests that China is next. It may be only a matter of time before the "delightful pandas" take on a more ominous form.

Leila Cruz, WHEATON, MD.

'Only when America proves that capitalism can cure social ills within its own borders should it look to prove so abroad.'

Regina Tavani, NASHUA, N.H.



Compassionate capitalism Bill Gates' innovative take on wealth and corporate responsibility encouraged readers to think outside the box





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Talk with your doctor first. Make sure your heart is healthy enough to have sex. If you have chest pain, nausea, or other discomforts during sex, seek medical help right away. As with any ED tablet, in the rare event of an erection lasting more than four hours, seek immediate medical help to avoid long-term injury.

In rare instances, men taking PDE5 inhibitors (oral erectile dysfunction medicines, including VIAGRA) reported a sudden decrease or loss of vision, or sudden decrease or loss of hearing. It is not possible to determine whether these events are related directly to these medicines or to other factors. If you experience any of these symptoms, stop taking PDE5 inhibitors, including VIAGRA, and call a doctor right away.

The most common side effects of VIAGRA are headache, facial flushing, and upset stomach. Less common are bluish or blurred vision, or being sensitive to light. These may occur for a brief time. VIAGRA does not protect against sexually transmitted diseases including HIV.

Please see Important Facts for VIAGRA on the following page or visit viagra.com for full prescribing information. For free information, including questions to ask your doctor, call 1-888-4VIAGRA (1-888-484-2472).

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VIAGRA is used to treat ED in men. When you want to have sex, VIAGRA can help you get and keep an erection when you are sexually excited. You cannot get an erection just by taking the pill. Only your doctor can prescribe VIAGRA.

VIAGRA does not cure ED.

VIAGRA does not protect you or your partner from STDs (sexually transmitted diseases) or HIV. You will need to use a condom.

VIAGRA is not a hormone or an aphrodisiac.

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Who should take VIAGRA?

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Who should NOT take VIAGRA?

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 - Medicines that treat chest pain (angina), such as nitroglycerin or isosorbide mononitrate or dinitrate
- If you use some street drugs, such as "poppers" (amyl nitrate or nitrite)
- If you are allergic to anything in the VIAGRA tablet.

BEFORE YOU START VIAGRA

Tell your doctor if you have or ever had:

- Heart attack, abnormal heartbeats, or stroke
- Heart problems, such as heart failure, chest pain, or aortic valve narrowing
- Low or high blood pressure
- Severe vision loss
- An eye condition called retinitis pigmentosa
- Kidney or liver problems
- Blood problems, such as sickle cell anemia or leukemia
- A deformed penis, Peyronie's disease, or an erection that lasted more than 4 hours
- Stomach ulcers or any kind of bleeding problems

Tell your doctor about all your medicines. Include over-the-counter medicines, vitamins, and herbal products. Tell your doctor if you take or use:

- Medicines called alpha-blockers to treat high blood pressure or prostate problems. Your blood pressure could suddenly get too low. You could get dizzy or faint. Your doctor may start you on a lower dose of VIAGRA.
- Medicines called protease inhibitors for HIV. Your doctor may prescribe a 25 mg dose. Your doctor may limit VIAGRA to 25 mg in a 48-hour period.
- Other methods to cause erections. These include pills, injections, implants, or pumps.

POSSIBLE SIDE EFFECTS OF VIAGRA

Side effects are mostly mild to moderate. They usually go away after a few hours. Some of these are more likely to happen with higher doses.

The most common side effects are:

- Headache
- Feeling flushed
- Upset stomach

Less common side effects are:

- Trouble telling blue and green apart or seeing a blue tinge on things
- Eyes being more sensitive to light
- Blurred vision

Rarely, a small number of men taking VIAGRA have reported these serious events:

- Having an erection that lasts more than 4 hours. If the erection is not treated right away, long-term loss of potency could occur.
- Sudden decrease or loss of sight in one or both eyes. We do not know if these events are caused by VIAGRA and medicines like it or caused by other factors. They may be caused by conditions like high blood pressure or diabetes. If you have sudden vision changes, stop using VIAGRA and all medicines like it. Call your doctor right away.
- Sudden decrease or loss of hearing. We do not know if these events are caused by VIAGRA and medicines like it or caused by other factors. If you have sudden hearing changes, stop using VIAGRA and all medicines like it. Call your doctor right away.
- Heart attack, stroke, irregular heartbeats, and death. We do not know whether these events are caused by VIAGRA or caused by other factors. Most of these happened in men who already had heart problems.

If you have any of these problems, stop VIAGRA. Call your doctor right away.

HOW TO TAKE VIAGRA

Do:

- Take VIAGRA only the way your doctor tells you. VIAGRA comes in 25 mg, 50 mg, and 100 mg tablets. Your doctor will tell you how much to take.
- If you are over 65 or have serious liver or kidney problems, your doctor may start you at the lowest dose (25 mg).
- Take VIAGRA about 1 hour before you want to have sex. VIAGRA starts to work in about 30 minutes when you are sexually excited. VIAGRA lasts up to 4 hours.

Don't:

- Do not take VIAGRA more than once a day.
- Do not take more VIAGRA than your doctor tells you. If you think you need more VIAGRA, talk with your doctor.
- Do not start or stop any other medicines before checking with your doctor.

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A STATE OF CONCERN

AS A LIFELONG MICHIGAN RESIDENT, I have lived through this state's trials and tribulations [Aug. 11].

LETTER FROM A MICHIGANDER

We are a hardworking group of citizens who epitomize what it means to be American. This presidential election offers Michiganders an opportunity to seek the change that it so desperately needs. However, given the shenanigans of Detroit mayor Kwame Kilpatrick and the ineffective leadership of current governor Jennifer Granholm, their support of Obama might make him guilty by association. I know I would not want the endorsements of those who represent regression in a state that needs all the help it can get.

Brian Cherry, MACOMB, MICH.

Star Quality

THE POINT OF RAMESH PONNURU'S COMMENTARY seems to be that Obama benefits from "plain old liberal bias" while McCain suffers from it [Aug. 11]. But the claim that the mainstream media are "smitten with Obama" wasn't reflected in a recent analysis done by George Mason University's Center for Media and Public Affairs, which found that on the four major TV networks, coverage of Obama during the first six weeks of the general election was 72% negative and only 28% positive. McCain's coverage, by contrast, was 57% negative and 43% positive.

Jessica G. Gugino, AYER, MASS.

Problems with Pelosi

HOUSE SPEAKER NANCY PELOSI SAYS SHE refused to launch an impeachment investigation into George W. Bush's many high crimes and misdemeanors because "you can't talk about impeachment unless you have the facts, and you can't have the facts unless you have cooperation from the Administration" [Aug. 11]. What a lame excuse! Did the Nixon Administration cooperate with Congress to provide the facts during its impeachment proceedings? The facts were brought forth by a diligent congressional investigation backed by the power of subpoena. Pelosi and her colleagues in Congress should

be held in contempt for failing to uphold their oath to defend and support the Constitution when they took impeachment off the table.

Richard Notkin, HELENA, MONT.

HOUSE SPEAKER NANCY PELOSI REFERENCE her responsibility—and Congress's political responsibility—to "represent our constituents" and to vote as "a matter of conscience." How interesting, then, that she chose to close the current legislative session without addressing the American public's growing need for domestically sourced energy. While families across this country have to choose between buying groceries and buying gasoline, or between the annual family vacation or looming mortgage payments, we can all rest assured that Madam Speaker and the rest of the House of Representatives will enjoy their taxpayer-funded August break. With the lowest congressional approval rating in history, our hardworking Representatives have clearly earned it.

Benjamin Greenberg, WORCESTER, MASS.

Long Live the Louvre!

PETER GUMBEL'S ARTICLE "LE LOUVRE INC." warmed the cockles of my heart [Aug. 11]. It's clear that my favorite museum is well

cared for by its director, Henri Loyrette, who has visionary ideas for keeping the Louvre alive and vibrant for the whole world to enjoy.

Issa Boullata, MONTREAL

A Picky Eater

RE "THE MOMENT: FORT WORTH": MICHAEL Grunwald would have to have both a very discriminating palate and a hefty paycheck to avoid the family style restaurants like Bennigans that so many middle-class Americans frequent [Aug. 11]. I guess he misses the point. This type of restaurant provides reasonable dining experiences at affordable prices. It may not be haute cuisine, but neither is it intended to be.

John Gillies, SCHAUMBURG, ILL.

The Diplomacy Gap

MASSIMO CALABRESI'S ARTICLE READS LIKE a State Department press release [Aug. 11]. How is it that when the Bush Administration declares a "diplomacy surge," the message is dutifully repeated in the mainstream press? Yet when Iranian President Mohammed Khatami offered to negotiate all outstanding issues with the U.S. in 2003, the press completely ignored Iran's diplomatic gestures.

Timothy Eddy, PITTSFIELD, MASS.

'How could Pelosi be so easily bullied out of exploring the option of impeachment? Whose side is she on?'

Damon Leeds, POMONA, CALIF.



Putting it on the table Readers expressed concerns with Speaker Pelosi's leadership



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Teaching job skills, helping the homeless, and organizing sports leagues that keep kids off the street. They're all ways in which Toyota dealers help their communities as well as their customers. The Toyota President's Award honors a select group of these dealers. It's our way of congratulating them both for their commitment to their work, and their commitment after work.



CHEROKEE COUNTY TOYOTA FOSTERS A SENSE OF FAMILY THROUGH COMMUNITY WORK.

Photo: www.Photodisc.com



Cherokee County Toyota General Manager Dave Fletcher and his wife, Terri, take pride in the dealership's support of the efforts of Georgia's Division of Family and Children Services in assisting youngsters in need.

For Dave and Terri Fletcher, there is nothing poetic about the children's rhyme that reads, "Wednesday's child is full of woe." The General Manager of Cherokee County Toyota in Canton, Ga., and his wife are always aware that some 2,200 children across the state struggle to make a life without the benefit of a loving family.

"It really pulls at your heartstrings to know that there are so many kids in our communities who need a secure place to call home," says Terri. "Although we've raised a family, we were inspired to become foster parents after watching the Wednesday's Child segment, which features area children in the foster system."

After completing the required training, the couple welcomed a toddler girl into the family. Before her adoption was finalized, however, she was reconnected with her biological grandmother. It was a difficult decision, but everyone felt it was best for the child.

The Fletchers continue to support the efforts of the state's Division of Family and Children Services. The dealership collects toys and gifts for the group's holiday project, and employees help fill duffel bags with personal items for the agency to distribute to kids, who are often rescued with few belongings.

"I'm proud of everyone at the dealership," says Dave. "They approach every situation—at work or in the community—with a great deal of compassion."

CHEROKEE COUNTY TOYOTA

has received the Toyota
President's Award for the
5th consecutive year.
The award is given
for outstanding sales,
customer service
and quality.

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 **TOYOTA**
moving forward

AT TOYOTA OF ROSWELL, TWO AND TWO EQUALS SUCCESS.

Photo: ©2004 bennettphoto.com



Jerry Gresham fostered a sense of community and a commitment to customers among the staff at Toyota of Roswell, a tradition that he believes is worth preserving.

During his tenure as owner of Toyota of Roswell, Jerry Gresham pulled double-duty. In 13 years, he doubled the number of employees and doubled the size of the dealership's complex. When Gresham decided to make a change this year, he left behind a twofold family: dedicated employees committed to longtime customers.

"They are a good group of people, focused on doing a good job," says Gresham. "I also remember fondly the many excellent customers who were part of our family."

That combination has kept Toyota of Roswell on the growth-side of an expanding city that manages to retain the charm of a small town. "Although I watched the amount of traffic increase in front of the dealership year after year, it always felt like a hometown community," recalls Gresham.

As if exceptional teamwork on the job wasn't enough, the Toyota of Roswell staff continues to assemble a team every year for the local Relay For Life fund-raiser. The all-night event, where at least one member of each team is always walking or running around a track, benefits cancer research and prevention programs. Gresham and the dealership have also consistently supported Shriners Hospitals.

At Toyota of Roswell, a sense of community is a tradition worth preserving. And that makes Jerry Gresham doubly proud.

TOYOTA OF ROSWELL

has received the Toyota President's Award for the 4th year. The award is given for outstanding sales, customer service and quality.

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SYNERGY
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THE 2008 HIGHLANDER HYBRID



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Vehicle shown with available equipment. © 2007 Toyota Motor Sales, U.S.A., Inc.

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what's missing from this cookie.

No fair looking at the logo.



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Briefing

THE WORLD VERBATIM THE PAGE HISTORY

POP CHART MILESTONES



The Moment

8|11|08: Washington

THE EARLY 1970S WERE A golden age for U.S. environmentalists, with a wave of proposals passed into law that transformed the way Americans thought of their air, their water and their natural resources. The crown jewel of that legislation was the Endangered Species Act (ESA), which has helped iconic animals like the gray wolf and the bald eagle rebound to healthier numbers. Once a species is classified as endangered, no federally approved project affecting the

animal—like a highway or a dam—can go forward without an independent scientific review.

Soon, however, those protections may become endangered themselves. On Aug. 11, the White House proposed an overhaul that could gut the ESA. The new rules—which could go into effect in as few as 90 days and won't need approval from Congress—include measures that would allow federal agencies dealing with projects affected by the ESA to bypass an independent

review. And that means the evaluation of whether an action harms an endangered species would be made not by trained biologists but by bureaucrats.

It's ironic that such a proposal should be made just

**Clipping
environmental laws'
wings—even as
Americans go green**

when millions of Americans are worrying about, and acting on, the most pressing environmental challenge they will ever face—climate change. And yet there's little new about the plans. When it comes to matters green,

there's long been a tussle between those who argue that reviews like the ones mandated by the ESA needlessly slow development and the greens, who insist that some degree of regulation is necessary if we are to protect the habitats and fauna that we hold most dear.

The debate will continue, with each side winning its share of battles. But it's hard to avoid the conclusion that with less than six months left in office, the Bush Administration is set on dismantling some established environmental protections while it has the chance. Like a forest lost to arson, the damage could take years to repair.

—BY BRYAN WALSH

The World

10 ESSENTIAL STORIES



Displaced Filipinos leave their village in North Cotabato as troops continue an assault

1 | Philippines

Fleeing a Resurgent Conflict

Clashes between the Philippine government and the separatist Moro Islamic Liberation Front have forced more than 130,000 people to flee their homes, creating an imminent refugee crisis. The conflict reignited after the Philippine Supreme Court delayed a peace agreement between the two sides.

2 | Mauritania

Junta Seizes Control

Other nations reacted swiftly following an Aug. 6 military coup that toppled the democratically elected leadership of this impoverished West African state. Both France and the U.S. vowed to eliminate nonhumanitarian aid, while the African Union suspended Mauritania's membership until a constitutional government is restored.

3 | London

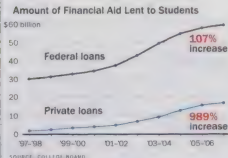
A Return To Exile

Claiming he had been the target of an assassination plot and could not expect to receive a fair trial in his homeland, former Thai Prime Minister Thaksin Shinawatra fled to Britain to avoid prosecution on corruption charges. Ousted in a bloodless coup in 2006, Thaksin spent nearly 18 months abroad before returning to Thailand in February, when his political allies regained power. The telecommunications tycoon, who bought England's Manchester City soccer club during his last stint in exile, leaves behind about \$2 billion in frozen assets.

4 | Washington

Back to School—If You Can

Rising default rates and a cut in federal subsidies for lenders are making private student loans more difficult to obtain, with lenders like Citigroup and Wachovia reducing their loan offers just weeks before the start of classes. In addition, more than 120 lenders have dropped out of the federal loan program since last summer.



A coca farmer sprinkles confetti over President Evo Morales in Cochabamba, Bolivia

5 | Bolivia

A Moral(es) Victory

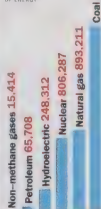
President Evo Morales notched more than 60% of the vote in an Aug. 10 recall referendum, a decisive win that grants the leftist leader a mandate to pursue his controversial agenda for South America's poorest nation. Morales, a former coca farmer and an ally of Venezuela's Hugo Chavez, is expected to continue reforms aimed at redistributing resources to Bolivia's poor indigenous majority.

6 | Montana

Coal for The Crow

The Crow tribe, whose land in southeastern Montana sits atop one of the nation's largest coal reserves, signed a 50-year deal with Australian-American Energy Co. to build a \$7 billion plant to convert coal to liquid fuel—the first of its kind in the U.S. Tribe chairman Carl Venne says the economic boon couldn't come at a better time: "People have to realize, this is one of the poorest counties in the whole nation." And while environmental groups may protest the plan, coal still generates more than half the country's electricity.

Sources of U.S. Electricity in 2007 (in thousands of megawatt-hours)



Numbers: **68%**

Percentage of foreign companies operating in the U.S. that don't pay federal income taxes, according to a new GAO report

1 IN **3**

Proportion of Americans who bought a home in the past five years that's worth less now than their mortgage



7 | Kashmir

TURMOIL RETURNS At least 13 Muslim demonstrators were killed Aug. 12 when Indian forces opened fire on a crowd protesting the Hindu-led blockade of a major highway. The deaths occurred a day after a separatist leader was killed during similar clashes. The violence—some of the worst to break out in the disputed region between India and Pakistan in two decades—was the latest sign of growing tensions between Muslims and Hindus over a land dispute earlier this year.

8 | Mexico City

Fighting the Kidnappers

Officials are working to crack down on corruption and kidnappings after police officers were implicated in the abduction and murder of a 14-year-old from a prominent Mexico City family. The federal government is creating five 24-hour anti-kidnapping centers, while the city's mayor will launch a hotline to field tips. President Felipe Calderón has proposed sentencing kidnappers to life.



9 | Detroit

Motor City's Embattled Mayor

The legal troubles of Detroit mayor Kwame Kilpatrick, 38, have gone from bad to worse. The details of his decline:

AUG. 29, 2007

Under oath, Kilpatrick denies an affair with chief of staff Christine Beatty

MARCH 24, 2008

After romantic text messages surface, both are charged with perjury, obstruction of justice and conspiracy

AUG. 7, 2008

The mayor spends a night in jail after violating the terms of his bail with a July trip to Canada

AUG. 8, 2008

Kilpatrick gets two felony charges of assaulting police

AUG. 12, 2008

He is absolved of a possible second bail violation

AUG. 14, 2008

The mayor and Beatty are arraigned

SEPT. 3, 2008

Governor Jennifer Granholm is to hold hearings before deciding whether to oust Kilpatrick from office

10 | Utah

Arch No More

The gravity and erosion that created Arches National Park brought down one of its most famous landmarks on Aug. 4. Wall Arch, shown before and after, was the first major span to fall in 17 years.



What They're Wearing in China

No wonder the Beijing crowd was ooh-ing Kobe Bryant's slam dunks in the U.S. basketball team's 101-70 rout of China. According to the NBA, Kobe's is the most popular jersey there this year; Yao Ming's shirt just made the Top 10.

Best-Selling NBA Jerseys in China

1. Kobe Bryant, Los Angeles Lakers
2. Kevin Garnett, Boston Celtics
3. Tracy McGrady, Houston Rockets
4. Paul Pierce, Boston Celtics
5. Allen Iverson, Denver Nuggets
6. Gilbert Arenas, Washington Wizards
7. LeBron James, Cleveland Cavaliers
8. Dwyane Wade, Miami Heat
9. Dwight Howard, Orlando Magic
10. Yao Ming, Houston Rockets

190,000

Number of U.S. military contractors working in Iraq and neighboring countries—about one for every U.S. service member

50%

Increase since September in Peace Corps applicants over age 50, when the agency launched an online campaign aimed at baby boomers



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Verbatim

'We couldn't have said it better ourselves.'

TUCKER BOUNDS, John McCain spokesman, on the campaign's use of old footage of Hillary Clinton criticizing Barack Obama

'I don't think we have to worry about invisible people walking around anytime soon.'

JASON VALENTINE, scientist at the University of California, Berkeley, after researchers unveiled new materials that could potentially cloak objects by bending light

'It was a marketing ploy. The idea stuck.'

JOVELINO SELIS, a teacher in Ubiratã, Brazil, on being one of six people running for city council under the name Barack Obama

'Not every wrong, or even every violation of the law, is a crime.'

MICHAEL MUKASEY, U.S. Attorney General, saying former Justice Department staffers won't be criminally prosecuted for politicizing hiring practices

'How can you live happily ever after when you met your husband three weeks before the wedding?'

HOANG THI THANH HA of the Vietnam Women's Union, on the growing number of young women who are marrying foreign strangers to escape poverty

'It is a tidal wave against Musharraf.'

SHERRY REHMAN, Pakistan's Information Minister, on calls for President Pervez Musharraf to either seek a confidence vote in parliament or face impeachment

'I didn't take it very seriously. I guess everything the President does is interesting.'

GEORGE W. BUSH, after U.S. Olympian Misty May-Treanor prodded him into patting her on the back for luck



Back & Forth:

Film

'This population struggles too much with the basics to have to struggle against Hollywood.'

TIMOTHY SHRIVER, Special Olympics chairman, calling for a boycott of the movie *Tropic Thunder* for its mocking portrayal of the mentally disabled

'We're making fun of ourselves.'

BEN STILLER, the film's writer, director and star, saying it spoofs the entertainment industry

Islam

'We thought it was not a good time.'

Random House spokeswoman **CAROL SCHNEIDER**, on cancelling publication of *The Jewel of Medina*, a novel about the Prophet Muhammad's child bride, for fear it would spark violence

'I envisioned that my book would be a bridge builder.'

SHERRY JONES, the novel's author, saying she was shocked by the decision

'I do not espouse censorship of any kind, but I do value my right to critique those who abuse the past.'

DENISE SPELLBERG, an Islamic-history scholar who was consulted by Random House, blasting the book for turning "sacred history into soft-core porn"

Blood Sport

'The culture, the custom of the Cajun people, it's gone.'

CHRIS DAUGHDRILL, who breeds fighting roosters near New Orleans, after Louisiana became the last state to outlaw cockfighting

'They've still got cockfighting in every state. They just hide it from the law.'

ELIZABETH BARRAS, whose husband ran a Louisiana cockfighting pit for 14 years, on the ban's futility





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The Page

BY MARK HALPERIN

CAMPAIGN SCORECARD

ROUND	1	2	3	4
ISSUE	Russia	Convention Planning	Party Unity	Scandals
ACTION	 <p>The Vladimir Putin-backed conflict with Georgia was a three-fer for John McCain: it reminded voters how dangerous the world is, allowed the Republican nominee to distance himself from the more accommodationist Bush Administration and let him reinforce his maverick image. Barack Obama did a fine job weighing in from his Hawaii vacation, but it just wasn't the same.</p>	 <p>Both presidential campaigns are scrambling far more than they publicly let on to put together their four-day prime-time TV extravaganzas. With the Democrats up first, at the end of the month, aides are busily redoling much of the planning done by the Democratic National Committee to clarify the convention's message. They have a charismatic leading man to build their show around, which helps a lot.</p>	 <p>Hillary Clinton is getting a prominent speaking role in Denver, and Obama and Bill Clinton reportedly had another pleasant phone chat, but the two camps are in the same dangerous place they've been in all year: civil in public but eye-rollingly dismissive behind the scenes. Most perilous: each side wants the other to make up one.</p>	 <p>Former Democratic presidential candidate John Edwards admitted to an extramarital affair and to lying about it—but he left a lot of loose ends and unanswered questions for the press pack to chase. Edwards no longer plans to participate in the Democratic Convention, but the unseemly tabloid story line is an unwelcome distraction for the party in the homestretch.</p>

RESULTS

REPUBLICANS	✓		✓	✓
DEMOCRATS		✓		
TIE				

WINNER OF THE WEEK: REPUBLICANS

In the last week before the campaign's final sprint (running mates, conventions, debates and the inevitable October Surprise), the Republicans had a solid showing, while Obama rested and Democrats braced for a tough fight.



*** NOT ALL ROUNDS ARE CREATED EQUAL ***

The week's winner is based on the relative importance of each fight and by how much the winner takes each round.

WEEK BY WEEK

	JUNE	JULY	AUG.	SEPT.	OCT.	TOTAL WEEKS WON
REPUBLICANS		✓	✓			4
DEMOCRATS	✓	✓	✓			5

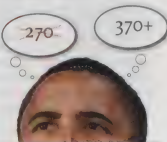
270 or Bust. Obama goes for a big win, with risks

THERE ARE 538 PRECIOUS electoral votes up for grabs on Nov. 4. To win, John McCain or Barack Obama needs to claim at least 270 of them.

The last two presidential elections were so close that both sides basically targeted only a handful of battleground states. Democrats in particular were cautious in 2000 and 2004. Facing a sea of red in the South and West, the party ended up focusing its resources on fewer winnable states whose electoral votes would just barely lift them to victory.

This time, the Republicans face the more challenging map, while Obama—flush with donations and volunteers—has a cushion. By competing in additional states, Obama can create more possible combinations to reach 270 electoral votes. And if he finishes strong, strategists in both parties agree, he could win more than 370—a solid mandate for the sweeping changes he has promised.

But every dollar and every hour spent in places like deeply Republican Georgia divert resources from must-win battlegrounds like Michigan. Some strategists wonder, then, if Obama's campaign risks trying to win by a landslide—and possibly losing by a hair.



A Brief History Of: TABLOIDS!!



WHEN JOHN EDWARDS ADMITTED WHAT THE *NATIONAL Enquirer* had been saying for months—that he had had an affair with a campaign videographer—it was only the latest in a string of high-profile scandals broken by the supermarket press. But politicians' foibles weren't always the target of choice for the tabloids. In the 1950s, their pages were splashed with bloody car accidents and gruesome mutilations. *Enquirer* owner Generoso Pope dialed down the gore in an effort to appeal to housewives in the checkout aisle, replacing it with alien abductions and medical oddities. Celebrity gossip took over by the late 1960s, as the *Enquirer* and rival *Globe* feasted on Chappaquiddick, Jackie Kennedy's remarriage and the death of Elvis. (The *Enquirer* paid a Presley relative to snap a picture of the King in his coffin.) Rupert Murdoch's *Star* joined in soon after. *Weekly World News*, billing itself "The World's Only Reliable Newspaper," carried on the mantle of the weird, covering miraculous cancer cures and zombie sightings. "When we inform people, it's usually by accident," admitted its editor.

Tabloid circulation peaked in the 1980s, but the O.J. Simpson trial prompted a rapid—and ironic—reversal of fortune. Broadcast coverage of the spectacle eclipsed anything that could be done in print, setting a template for sensational TV journalism that would drive the tabs' circulation down 30% by the mid-'90s.

Celebrity print media has bounced back in recent years, thanks to Britney and Paris, although mostly in the glossy magazine format that *Star* switched to in 2004. And as it is with most papers, the Internet is impinging on tabloids' turf. The new medium has already claimed *Weekly World News*, which folded in 2007—but readers looking for the latest on the ALIEN BABY LOVE CHILD can still find it online. —BY KATE PICKERT



THE HEADLINES

Elvis The *Enquirer's* pic of the King postmortem sold 6.7 million copies.

Gary Hart After he denied having

an affair, the *Enquirer* published photos of Hart with mistress Donna Rice.

O.J. Simpson

TV coverage of the trial eclipsed the tabloids'.

Bat Boy The *Weekly World News* story became a Broadway musical.

JonBenet The story of her murder was tabloid gold, but coverage led to multiple lawsuits.

Monica Lewinsky The mainstream media joined in the obsession.

THE SKINNER



The Way We'll Be

By John Zogby

Random House; 235 pages

JOHN ZOGBY KNOWS WHAT you want. As the founder of polling firm Zogby International, he is an expert at charting consumer preferences on the basis of answers to his wide-ranging surveys. Now, in *The Way We'll Be*, he culls thousands of polls and proclaims "seismic shifts" rumbling beneath our society, creating a new class of Americans who want less, expect less (so much for job security: 40% of Americans consider their work situation "unstable") and can see insincerity coming a mile away. Increasingly important are "First Globals"—the generation of 18-to-29-year-olds who grew up with the Internet and came of age during Clinton's impeachment and 9/11—who possess both a tolerant, accepting worldview and a high sense of materialism. Zogby is fascinated by brands and products and seems to think that we are what we buy (36% of drivers who find it important to feel superior through their choice of car buy Land Rovers). While marketing execs might want to add the book to the top of their reading list, the rest of us will be content simply with the charts.

—BY CLAIRE SUDDATH

READ

SKIM ✓

TOSS

Pop Chart



CUTE OLYMPIC
OPENING-CEREMONY
SINGER lip-synchs to
less-cute kid's vocals



ROLLING STONE shrinks
in size, gathers less moss



Most expensive piece of
ELVIS memorabilia sells
for \$300K. Clearly worth
every penny



BRAD PITT signs up for
long-awaited **QUENTIN**
TARANTINO film
Inglorious Bastards



SEACREST in! *American*
Idol host named
permanent co-host of
Dick Clark's New Year's
Rockin' Eve



Totally confused by **LOST**,
J.J. Abrams turns his
attention to producing
an earthquake flick



TORI SPELLING
quits 90210 spin-off,
demanding as much
money as Shannon
Doherty. Tori, this is
all she's got



BRITNEY SPEARS in
2008 MTV Video Music
Awards promos. If at
first you don't succeed...

SHOCKING



Crazy **PUPPY-CLONING**
LADY said to be crazy
1970s sex fugitive



STING interrupts
final Police concert
to shave beard.
Stewart Copeland,
Andy Summers get
mani-pedis



GEORGE ORWELL
diaries to be published
on daily blog. Somebody
get this guy a book deal!



After calling off
engagement, **SALMA**
HAYEK announces
wedding themed
reality show



DAVID HASSELHOFF
starts social-networking
HoffSpace: "Get a
conversation started
over me"



CLAY AIKEN's son is
born. Let the baby-photo
bidding begin!



Upcoming **ADRIAN**
GRENIER documentary
stars 14 year-old
paparazzo, also known
as a kid who just really
likes *Entourage*



STEVEN TYLER sells
memoir for more than
\$2 million. Tentatively
titled *If Only My Lips*
Could Speak

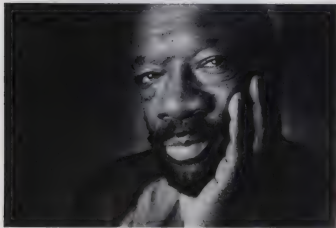


MATTHEW
MCCONAGHEY plants
kid's placenta in ground.
Seriously, nothing
he does is surprising
anymore

PREDICTABLE

SHOCKINGLY PREDICTABLE

Milestones



Isaac Hayes

ISAAC HAYES PACKED A LOT OF achievement into his 65-year life, which ended Aug. 10 after he collapsed in his Memphis, Tenn., home. He wrote hit songs, produced platinum albums, starred in movies and on television. But the biggest triumph for this self-described Black Moses had to be in 1972, when his theme from *Shaft*—a cunning mix of wocka-wocka percussion, a sassy chorus and Hayes' basso talk-singing—won an Academy Award for Best Original Song, making him the first African American

to win a music Oscar.

Producing many of the Stax hits of the '60s, Hayes helped define that studio's sound, dispensing with the pop craftsman's main rival Motown Records and revving up the testosterone. His imposing frame, and a stare that managed to intimidate and seduce, made the songwriter a natural for

performing. He always found work when he wanted it—including an unlikely final role as Chef, the school cook who dished out ageless wisdom on the animated show *South Park*. For nine seasons, Chef was virtually the only adult character treated with respect—even winning a good-hearted eulogy after Hayes' resignation over an episode excoriating Scientology prompted *South Park* to brutally kill off Chef in 2006. Hayes' own death shows that even a musical sex machine can break down. But during his adventurous life time, Isaac Hayes was the pulse of sexual liberation, the erotic sound of black power, the voice of our best bad thoughts.

—BY RICHARD CORLISS



Bernie Mac

NOBODY WANTED TO GO ON-stage after Bernie Mac. You were always thinking, Can I do these things to the same audience? Mac, who died

Aug. 9 at age 50, had this freedom, this edge—one minute he was saying funny material, then he was cutting you deep, and then he was saying something that made you think. There was a frenzy to it. If you went on after him, even if you were funny, they couldn't laugh anymore; it hurt. Bernie killed them. Each night you could bet he was going to jump off the page in a way that no one saw coming.

He was never trying to edit himself. As a comedian, that's the freedom you're looking for onstage, to be as honest as you can be and say something that's so relevant, you're either going to be shocked or you're going to laugh your butt off. —BY CEDRIC THE ENTERTAINER, as told to TIME

Cedric, an actor and comedian, starred alongside Mac in *The Original Kings of Comedy* tour

Lords of laughter
Mac, D.L. Hughley,
Cedric the
Entertainer and
Steve Harvey



DIED Before Sandy

Allen's record height brought her fame. It was a crippling burden. Spurred by a pituitary tumor, the world's tallest woman grew to 7 ft. 7 in. (2.3 m). As a youngster, she felt isolated from her peers. "My social life is practically nil," Allen wrote to Guinness World Records in 1974. "Perhaps the publicity from your book may brighten my life." It did. In short order, she scored a role in a feature film and her first date. The Indiana native later wrote a book and toured schools and churches, teaching kids that beauty comes in all sizes. After a series of illnesses, she died at 53.

■ A beloved Palestinian poet whose work has been translated into 35 languages, **Mahmoud Darwish** wrote verses that often revolved around the struggles of his people. As he wrote in one poem: "They threw him out of every port/ And took away his young beloved/ And then they said: You're a refugee." Yet Darwish, who lived in exile for many years after being repeatedly detained for his political activism, eventually grew jaded and heartbroken about the internal strife plaguing his countrymen. After Hamas seized control of Gaza in 2007, he said sorrowfully, "One people now have two states, two prisons who don't greet each other. We are victims dressed in executioners' clothing." Darwish died after undergoing open-heart surgery, at age 67.

■ With a client list that ranged from John Belushi to Jim Henson, Hollywood producer and manager **Bernie Brillstein** had an impact that reached broadly across the entertainment industry. His success was probably assisted by his ability to laugh at himself, as evidenced by his tongue-in-cheek 1999 memoir, *Where Did I Go Right?: You're No One in Hollywood Unless Someone Wants You Dead*. He was also known for jesting frequently that when he died, his tombstone should read "Bernie Brillstein: From *Hee Haw* to *Dangerous Liaisons*." He was 77.





James

Poniewozik

What's Wrong with Celebrity? The term is being used as an insult. But there are worse things for a leader to be

"HE'S THE BIGGEST CELEBRITY IN THE world." As a political insult, it would seem to be on the order of charging, "Damn, my opponent is good-looking!" Yet since John McCain's infamous Barack Obama/Paris Hilton/Britney Spears ad, his campaign has hammered on the celebrity tag, to the chagrin of Democrats and editorialists who have condemned it for taking the low road.

Except: "He's the biggest celebrity in the world" is more or less the message of the Obama campaign too. Obama, after all, is the one giving his convention speech in Denver on Aug. 28 in a 76,000-seat stadium, a venue that practically begs fans to wave cigarette lighters and request *Free Bird*. The semiotics of an arena speech communicate a lot of things—a big tent, vitality and excitement—but say one thing loud and clear: *Something big is going on here. Don't you want to know more?*

In other words, it says Obama is the watercooler topic of 2008—the *Survivor*, the *Titanic*—and that's one thing the campaigns seem to agree on. What they're fighting over is not just two definitions of Barack Obama (neophyte vs. change agent) but two definitions of celebrity itself. One question at the core of this election is whether America loves stars more than it loves to hate them.

Why, after all, is celebrity an insult?

Personal magnetism, the ability to galvanize attention and rally masses: this is a *bad quality* in a Chief Executive? J.F.K. and Ronald Reagan managed to soldier on with this handicap. Besides, celebrity

McCain is trying to frame his opponent the way gossip sites like TMZ frame celebs like Spears: by appealing to a mix of fascination and resentment

is America's chief international export. There's something almost unpatriotic about denigrating it; it's like insulting Obama by comparing him to a GMC truck. (You know who complains about American celebrity culture? Al Qaeda and the French, that's who!)

The irony is that by the politician-acelebr standard set by Bill Clinton when he blew sax on *Arsenio*, McCain should



be the better pop-culture candidate. He, not Obama, was in *Wedding Crashers* and on 24; he's gabbed and joked on countless late-night shows. If he were running against Chris Dodd, McCain would be the celeb hands down. Sure enough, Obama answered with an ad calling McCain a "Washington celebrity," showing clips of him on *Leno* and *SNL*.

The McCain of 2008, however, is a recovering celebrity, and he has discovered that fame is a terrible thing. His ad implies that Obama is an empty suit, a D lister. McCain is trying to frame his opponent the way gossip websites like TMZ, Dlist and PerezHilton.com frame celebrities like Spears: by appealing to a mix of fascination and resentment. Old-fashioned celebrity outlets, like *Entertainment Tonight* and (Time sibling) *PEOPLE* magazine, look up to celebrities—putting them on "most

sexy" lists and paying top dollar for their baby pictures. The new-style celebrity outlets prefer to publish outie write-ups and nipple slips—and they're thriving.

So McCain is running a TMZ campaign. "Life in the spotlight must be grand," one McCain ad hisses, oozing contempt, as flashbulbs pop and pictures of Obama on magazine covers flip past. Like a snarky bro, the McCain campaign argues that Mr. Thinks He's All That is overexposed—in part by doing as much as it can to overexpose him.

If it worked, it would be a powerful strategy, turning one of Obama's biggest assets into a weakness. But it would be fruitless for Obama to try to run away from his celebrity, even if he wanted to. Whereas Clinton literally blew his own horn, Obama's iconography is largely an outside job: people make videos and posters of him, write rap songs about him, dedicate fashion lines to him, even peddle bootleg T-shirts at his events. Like an illegal DVD of *The Dark Knight*, he has been pirated.

Besides, someone is buying all those magazines in the McCain ad. Snark aside, Americans still like celebrities. The trick for Obama is to be the right kind: less Britney, more Bono or Brangelina. Part of that is what former *Us* editor Bonnie Fuller calls his "Stars are just like us" strategy—appearing with his family in *Us* and *People* and on *Access Hollywood*.

But his big test is that speech in Denver, which McCain will cast as rock-star vanity. A stadium's size is its message: it is the (literal) arena in which the audience connects individually to the man onstage and communally with the rest of the crowd. Like an arena rocker, Obama must make all listeners think he is speaking to each of them personally. And he has to reach a broad crowd, from the hipsters who think his early stuff was better to the mainstreamers just discovering him.

That's the stuff of real celebrity, and it's nothing to be ashamed of: it's the music that strong leaders use to deliver their lyrics. But this melody will have to compete with the drums of resentment, as each candidate cranks it up to 11. ■



Samantha

Power

A Question of Honor. Russia's assault on Georgia was wrong—but predictable. How humiliation can shape national interest

WHEN RUSSIA SENT SHELLS RAINING down on Georgia, it seemed initially as if Vladimir Putin was savagely pursuing what he saw as Russian national interests. Moscow claimed Georgian aggression against Russian loyalists in South Ossetia and has objected to both Georgia's bid to join NATO and the Pentagon's arming and training of the Georgian military. But a closer examination of the run-up to Putin's inexcusable invasion suggests that Russia's action had as much to do with its wounded pride as with its alleged impaired security.

Thucydides long ago concluded that people go to war out of "honor, fear and interest." Putin seems to have chosen conflict largely out of honor, or, put another way, out of perceived humiliation—one of the most prevalent, least explored factors behind global violence.

Russia's litany of indignities dates to the early 1990s when the Soviet empire collapsed. A bipolar universe gave way to a world in which the "sole superpower" boasted about how it had "won" the Cold War. Russia was forced to swallow the news that NATO would grant membership to former client states in Eastern Europe, along with former Soviet republics. Russia, the fallen empire, would have to content itself with membership in the largely symbolic Partnership for Peace.

Perhaps the best preview of Russians' brewing rage at their lost grandeur came in Kosovo, when, in the wake of NATO's 1999 war against Serbia—a war Russia opposed—Russian forces seized the air-

port that NATO had intended as headquarters for what many Russians considered an occupation force. No shots were fired, but Western generals found it jarring to see how far Russia would go for a territory so marginal to its wealth and security.

When Western countries recognized Kosovo earlier this year, Russia's NATO ambassador, Dmitri Rogozin, telegraphed Moscow's plans by threatening to "pro-



ceed from the assumption that to be respected, we have to use brute military force." Putin said the "stick" that Western countries had employed "will come back to knock them on the head."

Russia is not alone in believing that amassing military strength or using violence helps restore self-respect and honor. Osama bin Laden has rallied young Muslims to his terrorist ranks by invoking Israel's occupation of Palestinian lands, America's military presence in Saudi Arabia, the U.S. occupation of Iraq and the Muslim detainees degraded by their American guards. Ahmed Al Haznawi, one of the 9/11 hijackers, made a video before the attack in which he declared, "The time of humiliation is over."

On occasion, Western countries have consciously avoided humiliating militant powers, fearing the consequences

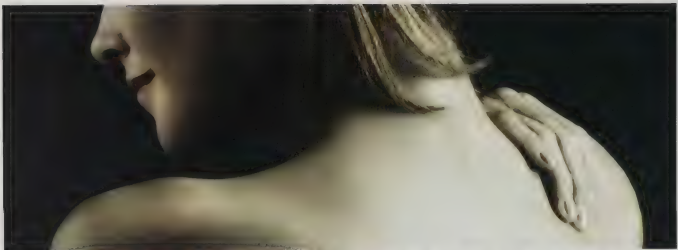
of emasculation. Having neutered Germany following World War I, the Allies showed West Germany respect after World War II, investing heavily in its economy and absorbing the country into NATO. And while President George W. Bush seemed unconcerned about Russia's simmering fury when he lobbied for Georgian and Ukrainian entry into NATO earlier this year, many European governments rejected the proposal, showing that they—perhaps because of their own history—were more attuned to the risks of compounding Russia's growing and alarming sense of victimhood.

Diplomats and intelligence professionals must acknowledge that honor and humiliation often weigh as heavily in the minds of statesmen and citizens as do economic and security interests. Americans, who have not experienced a precipitous drop-off in power, have difficulty relating to the running tallies of slights maintained in other places. They must avoid the habit of projecting onto others their own ideas of what is rational. This is one more reason to expand the language, anthropological and historical training of diplomats and others.

This is not to suggest that the West do for Russia what the U.S. did for Germany—integrate an aggres-

sor. Invading a country out of humiliation is as deplorable as doing so for territory or riches. Indeed, the West must be prepared to sanction Putin for the invasion of Georgia. The U.S. and its allies can avoid humiliating Russia by acknowledging that Georgia is not blameless and that the rights of Russian minorities must be protected. But Western countries must refuse to accept Russia's cease-fire assurances without independent monitoring, and they must state that Russia's continued membership in the G-8 and future entry into the WTO will turn on its peaceful resolution of regional disputes. The upside of Russia's preoccupation with lost status is that its exclusion from such elite organizations would sting. Russia has flexed its resurgent muscles at great human cost. Now it must be convinced that aggression does not restore honor; it soils it. ■

Russia is not alone in believing that amassing military strength or using violence helps restore self-respect and honor



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Digging in? Several days after Moscow launched an assault on Georgia, Russian soldiers relax in Tskhinvali, capital of the disputed region of South Ossetia



The Empire Strikes Back

Photograph for TIME by Yuri Kozyrev—Noor  For more of Kozyrev's photos of the Georgian conflict, go to time.com/georgia



Fired up Georgian soldiers run past a building damaged by Russian bombardment in the town of Gori, just 50 miles (80 km) from the capital of Tbilisi

Staring Down the Russians



The West has to show Moscow that it won't tolerate any attempt to reassert control over Georgia or the rest of the former Soviet Union

BY ZBIGNIEW BRZEZINSKI

THE END OF THE COLD WAR WAS supposed to usher in a new age in which the major powers would no longer dictate to their neighbors how to run their affairs. That is why Russia's invasion of Georgia is so tragic and so potentially ominous. Russia is now on watch: Will it continue to rely on coercion to achieve its imperial aims, or is it willing to work within the emerging international system that values cooperation and consensus?

Moscow's ruthless attempt to suborn, subdue and subordinate this tiny, independent democracy is reminiscent of Stalin's times. The assault on Georgia is similar to what Stalin's Soviet Union did to Finland in 1939: in both cases, Moscow engaged in an arbitrary, brutal and irresponsible use of force to impose domination over a weaker, democratic neighbor. The question now is whether the global community can demonstrate to the Kremlin that there are costs for the blatant use of force on behalf of anachronistic imperialist goals.

This conflict has been brewing for

years. Russia has deliberately instigated the breakup of Georgian territory. Moscow has promoted secessionist activities in several Georgian provinces: Abkhazia, Ajaria and, of course, South Ossetia. It has sponsored rebellious governments in these territories, armed their forces and even bestowed Russian citizenship on the secessionists. These efforts have intensified since the emergence in Georgia of a democratic, pro-Western government. Russian Prime Minister Vladimir Putin's resentment toward Georgia and its President, the U.S.-educated Mikheil Saakashvili, has seemingly become a personal obsession.

The international community has not done enough to push back. In recent weeks, a series of incidents along the fragile cease-fire lines that cut across Georgian territory helped prompt the escalation of violence, including Georgia's abortive effort to remove the "government" of South Ossetia, a small region with a population of about 70,000 people. That rash action was perhaps unwise, but it is evident from Russia's military response that Moscow was waiting for such an act to provide a pretext for the use of force. Large Russian contingents quickly swept into South Ossetia and then into Georgia, sending tanks to Gori and bombing Gori and the capital, Tbilisi.

Russia's aggression toward Georgia should not be viewed as an isolated incident. The fact is, Putin and his associates in the Kremlin don't accept the post-Soviet realities. Putin was sincere when he declared some time ago that in his view, the dissolution of the Soviet Union was "the greatest geopolitical disaster of the [20th] century." Independent democracies like Georgia and Ukraine, for the Putin regime, are not only historical anomalies but also represent a direct political threat.

Ukraine could well be the next flash point. The Russian leadership has already openly questioned whether it needs to respect Ukraine's territorial integrity. Russian leaders have also remarked that Crimea, a part of Ukraine, should once again be joined to Russia. Similarly, Russian pressure on Moldova led to the effective partition of that small former Soviet republic. Moscow is also continuing to try to economically isolate central Asian neighbors like Kazakhstan and Uzbekistan. And the Baltic nations of Lithuania, Latvia and Estonia have been the object of various threats from Russia, including economic sanctions and disruptive cyberwarfare.

The stakes are high. Ultimately the independence of the post-Soviet states is at risk. Russia seems committed to the notion that there should be some sort of supranational entity, governed from the Kremlin, that would oversee much of the former Soviet territories. This attitude reflects in part the intense nationalistic mood that now permeates Russia's political elite. Vladimir Putin, former President and now Prime Minister, is riding this nationalist wave, exploiting it politically and propagating it with the Russian public. Some now even talk of a renewed Russian military presence in Cuba as a form of retaliation against the U.S. for its support of the independence of the post-Soviet states.

For the West, especially the U.S., the conflict between Russia and Georgia poses both moral and geostrategic challenges. The moral dimension is self-evident: a small country that gained its independence only recently, after almost two centuries of Russian domination, deserves international support that goes beyond simple declarations of sympathy. Then there are questions of geostrategy. An independent Georgia is critical to the international flow of oil. A pipeline for crude oil now runs from Baku in Azerbaijan, on the Caspian Sea, through Georgia to the Turkish Mediterranean coast. The link provides the West access to the energy resources of central Asia. If that access is cut, the Western world will

Putin declared that the dissolution of the Soviet Union was 'the greatest geopolitical disaster of the [20th] century.'

lose an important opportunity to diversify its sources of energy.

The West needs to respond to Russia's aggression in a clear and determined manner. That doesn't mean with force. Nor should we fall into a new cold war with Russia. But the West, and particularly the U.S., should continue to mobilize the international community to condemn Russia's behavior. Presidential candidates Barack Obama (whom I support) and John McCain should endorse President Bush's efforts to oppose Russia's actions and form a bipartisan stand on this issue. It is unfortunate that some of the candidates' supporters are engaging in pointless criticism of each other's

public statements on the Georgia crisis. This is too important for that.

It is premature to specify what precise measures the West should adopt. But Russia must be made to understand that it is in danger of becoming ostracized internationally. This should be a matter of considerable concern to Russia's new business elite, who are increasingly vulnerable to global financial pressure. Russia's powerful oligarchs have hundreds of billions of dollars in Western bank accounts. They would stand to lose a great deal in the event of a Cold War-style standoff that could conceivably result, at some stage, in the West's freezing of such holdings.

At some point, the West should consider the Olympic option. If the issue of Georgia's territorial integrity is not adequately resolved (by, for example, the deployment in South Ossetia and Abkhazia of a truly independent international security force replacing Russian troops), the U.S. should contemplate withdrawing from the 2014 Winter Games, to be held in the Russian city of Sochi, next to the violated Georgia's frontier. There is a precedent for this. I was part of the Carter Administration when we brandished the Olympic torch as a symbolic weapon in 1980, pulling out of the Summer Games in Moscow after the Russian invasion of Afghanistan. The Soviet Union had planned a propaganda show reminiscent of Hitler's 1936 Olympics in Berlin. America's boycott delivered a body blow to President Leonid Brezhnev and his communist system and prevented Moscow from enjoying a world-class triumph.

The Georgian crisis is a critical test for Russia. If Putin sticks to his guns and subordinates Georgia and removes its freely elected President—something Putin's Foreign Minister has explicitly called for—it is only a question of time before Moscow turns up the heat on Ukraine and the other independent but vulnerable post-Soviet states. The West has to respond carefully but with a moral and strategic focus. Its objective has to be a democratic Russia that is a constructive participant in a global system based on respect for sovereignty, law and democracy. But that objective can be achieved only if the world makes clear to Moscow that a stridently nationalistic Russia will not succeed in any effort to create a new empire in our post-imperial age. ■

Brezinski, who was National Security Adviser to President Carter, is co-author, with Brent Scowcroft, of America and the World, to be published in September

The Bear Is Back on The Prowl

The U.S. warned its ally not to be drawn into a Russian trap. When the fighting started, Georgia didn't stand a chance

BY VIVIANNE WALT

WHEN RUSSIAN JETS POUNDED Madonna Gavasheli's village of Knolevi on Aug. 9, she took her two children, ages 8 and 4, into the basement and spent the night cowering in fear. At dawn they joined a column of thousands of people streaming out of South Ossetia and the surrounding regions for Tbilisi, the capital of Georgia. There the family staggered into an abandoned kindergarten. Back in Knolevi, Gavasheli's husband had vanished, along with their brand-new brick house. "There were many, many bombs," she says. "I do not even know how I got here."

She's not the only one. The short but brutal war with Russia has left Georgia's military battered and its countryside scorched by bombs and tank fire. The fighting, which officially ended Aug. 12, when Moscow agreed to a cease-fire, left at least 1,000 dead and forced tens of thousands of Georgians and ethnic Russians living in and around South Ossetia to flee their homes. Beyond the human carnage, the conflict demonstrated just how far a resurgent Russia will go to advance its interests. Nearly 20 years ago, when the Soviet Union collapsed, many in the West thought a weakened Russia would be a friendly one and would pose no threat to its former satellites. Instead, awash with profits from natural resources, Russia has become a new economic power. Prime Minister Vladimir Putin, who continues to run Russia through his handpicked successor as President, Dmitri Medvedev, invested heavily to transform Russia's Soviet-era military into a more modern fighting machine. The invasion of Georgia demonstrates that Moscow is ready to reassert its primacy in its neighborhood and stand up to Washington.

The U.S. response was initially cautious. President George W. Bush spoke with Putin at the Olympics in Beijing and released a statement urging Russia and Georgia to pull back their troops. After the cease-fire, amid reports that the Russian military had not stood down, Bush heightened the rhetoric, expressing "solidarity with the Georgian people." He dispatched Secretary of State Condoleezza Rice to Tbilisi and ordered the U.S. military to begin air and sea delivery of humanitarian supplies—raising the prospect of U.S. forces becoming entangled in the conflict. Bush hinted at stronger punishment for Moscow, including isolation from international organizations.

For the first time in nearly two decades, Russia became an issue in a U.S. presidential campaign. Barack Obama and John McCain both called Georgian President Mikheil Saakashvili to express support and received phone briefings from Rice. The McCain campaign heaped scorn on Obama's call for restraint from Russia and renewed the Republican Senator's demand that Russia be evicted from the G-8 club of leading industrial nations. At a town-hall meeting on Aug. 12, McCain said he had called Saakashvili to tell him, "Today we are all Georgians." The campaign insisted McCain's position was not influenced by the part ownership by his top foreign policy adviser, Randy Scheunemann, of a lobbying firm employed by the Georgian government.

U.S. presidential politics seems far removed from the mountains and farmlands of South Ossetia, a tiny autonomous enclave in northern Georgia. Since 1992, Russian troops have helped keep the peace in the area as well as in Georgia's other breakaway territory of Abkhazia.



Refugees in their own country Frightened Georgian





families flee Gori. Thousands are living in makeshift shelters in Tbilisi



For weeks before the war, Russian planes circled the skies above Georgia, provoking Tbilisi to threaten to shoot them down. Last month, Russia began annual military exercises close to South Ossetia's northern border while Georgia moved its own troops up from the south in a mutual "game of chicken," says Charles Kupchan, an Obama adviser and senior fellow at the Council on Foreign Relations. On Aug. 7, Saakashvili, citing Russian military encroachment, ordered tanks into the territory's capital, Tskhinvali. Russian forces invaded soon afterward.

But a conflict had been brewing for years. Russian officials have long believed that their views are ignored by Washington, and they felt humiliated last February when Kosovo declared itself independent from Russian ally Serbia, winning recognition from Bush and most European leaders. "Russia warned that there would be repercussions for Kosovo, and here they are," says Magdalena Frichova, a former Caucasus project director for the Brussels-based International Crisis Group. In April, when NATO

leaders agreed to consider Ukraine and Georgia as members, Russia saw it as a direct threat.

U.S. officials had worried about renewed conflict in the Caucasus for months. And according to a senior official at the U.S. State Department, Washington had grown alarmed by Saakashvili's belief that he could take on the Russian military. Hours before Georgian tanks entered South Ossetia, this official says he called the Georgian Foreign Minister, warning her that Russia was drawing Georgia into a trap. "The Russians are looking for an excuse to kill Georgians," he recalls saying.

Once the fighting began, the result was a foregone conclusion. Three days after Georgia's tanks had rolled into Tskhinvali, its forces retreated like wounded animals. To compound the injury, Russia then launched punitive attacks on Georgian towns and military bases far from the borders. Reeling from overwhelming Russian force, many Georgians were angry that the U.S. had not done more to protect them. Georgia is ostensibly a key Washington ally. The main airport road in Tbilisi is named George W. Bush Street, and 2,000 Georgian soldiers made up the third biggest coalition force in Iraq. (They were flown home last week on U.S. military transport.) Bush has hosted Saakashvili at the White House and hailed him as a beacon of democracy. "Saakashvili got too close to the U.S., and the U.S. got too close to Saakashvili," says Kupchan. That lulled Georgia into believing the U.S. would rush to its aid. Now there is a sense of betrayal. "Americans are just promises," says Gogi Edisherashvili, a refugee in Tbilisi. "The blood of our children is the responsibility of Bush and Saakashvili."

What can the U.S. do now? The most urgent need is humanitarian relief. American and European officials must also scramble to come up with a workable peace deal. But Russia is in no mood to give up its advantage. Having humiliated Georgia militarily, Moscow will probably push harder for independence for South Ossetia and Abkhazia.

The West remains deeply divided over how to tackle Moscow's increasing assertiveness. Despite Bush's veiled threat to isolate Moscow internationally, many European leaders do not want to enrage Russia, which provides Europe with more than a third of its energy supplies. The bear is out of hibernation. Its neighbors can no longer sleep easily. —WITH REPORTING BY MASSIMO CALABRESI/WASHINGTON; YASHA LEVINE/MOSCOW; ANDREW PURVIS/TBILISI; JOHN WENDLE/VLADIKAVKAZ, RUSSIA; AND YURI ZARAKHOVICH/JACKSONVILLE, FLA. ■

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Big Trouble in Little Havana

Miami's three congressional seats have been Republican strongholds. But in a tough year for the GOP, Florida is changing

BY TIM PADGETT/MIAMI

IT WASN'T THAT LONG AGO THAT INCENCIA Coto was about the most predictable voter in America. In 2000 she and thousands of other Cuban Americans turned out in overwhelming numbers around Miami to help George W. Bush win the White House. Now 75, Coto is still sashaying to Celia Cruz CDs at the Goodlet Adult Community Center in Hialeah, a Cuban-exile enclave adjoining Miami that votes almost 90% Republican in national elections. But Coto says she's voting for a Democrat this fall. Her new

hero is Raul Martinez, who is challenging eight-term incumbent Lincoln Diaz-Balart in the race for U.S. Representative from Florida's 21st Congressional District. Many of her friends say the same thing. "The cost of living, the war, health insurance—too many things are getting out of hand," says Coto, fixing a yellow flower in her hair as Martinez tours the center. "It's time for *un cambio*—a change."

For the first time in 20 years, Democrats are mounting serious challenges to at least two of Miami's three Republican

Cuban Americans An older generation of émigrés is being tested by younger, more moderate voices

lawmakers, who often run unopposed. A Bendixen & Associates poll released in July shows Martinez, a popular if controversial former mayor of Hialeah, trailing Diaz-Balart by only 4 points. Nearby, local political veteran Joe Garcia sits just 5 points behind three-term incumbent Mario Diaz-Balart, Lincoln's younger brother. The unexpected tests spell trouble not just for the GOP but also for what has long been the staple of Miami politics: open hostility to the Castro regime in Havana. "These were once considered the safest Republican seats in Florida, if not the country," says political analyst Dario Moreno of Miami's Florida International University (FIU). "But waving the bloody shirt of anti-Castro politics is less effective now."

And if South Florida is beginning to slip from GOP control, the situation elsewhere may be worse. Republican incumbents in Ohio, Virginia and the Southwest are facing unexpected challenges from Democrats in districts that have been safe for a generation or more. These battles come just two years after the Democrats stunned the GOP with a pickup of 30 congressional seats and took control of the House for the first time since 1994. Republicans have already lost three special elections this year in once secure districts in Illinois, Mississippi and Louisiana, and many political

experts believe they could lose an additional 10 to 20 seats in November.

But the Miami challenges have caught the GOP off guard. Democratic voter registration in Miami-Dade County, as in other places, is up, and Republican registration is down. Some of the shift stems from elderly voters like Coto, but younger Cuban Americans are restless too. Like their elders, they want to liberate Cuba, but they also want to get by in Miami, where the middle class is shriveling and home foreclosures are soaring. "I'm not running for President of Cuba," says Martinez. "Cuban Americans finally see themselves as part of the wider U.S.A., and they care about other issues."

Florida Democrats are drawing new strength from a growing number of non-Cuban Latinos. Miami's third Cuban-American Representative, 10-term GOP incumbent Ileana Ros-Lehtinen, usually faces token opposition, if any. Her 18th District is still 65% Latino, but it is less than 30% Cuban today. That has emboldened Democrats like her challenger, Colombian-American businesswoman Annette Taddeo, whose constituents wor-

'Waving the bloody shirt of anti-Castro politics is less effective now.'

—DARIO MORENO,
POLITICAL ANALYST AT FLORIDA
INTERNATIONAL UNIVERSITY

ry less about Havana than about immigration, health care and U.S. indifference toward the rest of Latin America.

Still, a likely decisive issue in these races involves Cuba. In 2004, as a gift to conservatives, President Bush tightened restrictions on travel and remittances to the island. Cuban Americans—only those who have immediate family members in Cuba—can now visit just once every three years and send only \$300 each quarter. The move backfired: most Miami Cubans oppose the new rules, according to an FIU poll, and they have been particularly unpopular among younger Cuban Americans. That was a big reason Miami computer programmer and lifelong Republican Joe Infante, 47, who

has relatives in Cuba he can no longer visit, is now a registered Democrat. The regulations, he says, "have kept Cuban families separated but haven't put a dent in the Cuban regime." The move suggests that leaders of Florida's anti-Castro movement may have lost touch with the region's changing demographics. What would have worked in 1985 to deepen GOP support had the opposite effect in today's more diverse Miami. Says Garcia, sipping a *café cubano* in Little Havana: "Bush succeeded in dividing what was once a monolithic vote for his party."

Critics of the Diaz-Balarts say that clash has been apparent on other issues. Lincoln Diaz-Balart introduced a bill last year to extend benefits of the State Children's Health Insurance Program (SCHIP) to children of legal immigrants. But he and his brother (who are nephews of Fidel Castro's first wife) also helped block a \$35 billion SCHIP expansion last December because, they argued, it would have heavily taxed Miami's cigar industry—a rationale that was music to the ears of Miami's Democrats.

Meanwhile, the Miami GOP has seldom faced a foe like Martinez, who can poach voters from the Cuban-exile mother lode in Hialeah, where he was mayor from 1981 to 2005. While many Miami Cubans (including the Diaz-Balarts) left the Democratic Party during the Reagan era, Martinez stayed put. He relied on his popularity as a traditional urban boss to win election five times—even after he was convicted in 1991 on racketeering and extortion charges. The convictions were overturned because of jury misconduct, and he won acquittal in a third trial, but his probity is sure to be the subject of GOP attacks. Blunt-spoken and burly, Martinez, 59, supports the U.S. trade embargo against Cuba but opposes Bush's travel and remittance restrictions.

Republicans dismiss the competition as well as the idea that Miami Dade's 650,000 Cuban Americans are splitting politically. "We hear that from the so-called experts every two years," says Lincoln Diaz-Balart, 54. "Every other November, we deliver the same results." As ever, the Miami incumbents have much larger war chests than their challengers. But the money gap is narrower because the Dems' fund-raising this year has actually kept pace with, if not outpaced, that of the Republicans. The same is true in other Florida districts, like the 24th, near Orlando, where Democrat Suzanne Kosmas is closing in on incumbent Tom Feeney.

In Hialeah, Martinez serves arroz con pollo to hundreds of elderly voters. "He's got our *carino*, our affection," says Coto. For Martinez, that's a start, but what will count for more in November is the urge for *cambio*—change.

House Hot Spots. Some Florida congressional districts may turn blue





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2008 BUICK ENCLAVE

ROGERS (POP. 7,000) IS ONE OF THE more conservative towns in Minnesota, but that makes Al Franken just more excited to parade the hell out of the place. He's in a parking lot, standing near floats for a pro-life organization and two different Christian youth groups, and he is bouncing and clapping like Ali before a fight. Once he is given the signal to march, he's at it full force. When he catches someone looking him over, he throws both hands in the air, does a funny foot-flail-in-place thing, turns around and jogs across the street until he's in front of the parade viewer, high-fives her and yells, "I'm Al Franken! Running for Senate! Help me out!" He'll zigzag the length of the parade, sprinting forward and backward, an intern trailing behind him with a towel so he can mop the sweat off his face. Between the end of June and Labor Day, nearly every town in Minnesota has a parade. Franken is in very good shape.

If running for Senate were an Olympic event, Franken would win. If it were a battle of wills or a name-recognition poll or some kind of nerdy trivia battle, he'd win those too. Even if it were just a question of having people agree with your policies, he'd win a Senate seat in the state, where Barack Obama is ahead of John McCain. But getting elected means making people believe you can relate to them, and that's why Franken—writer, actor, comedian, talk-show host and longtime denizen of *Saturday Night Live*—is running behind Republican Senator Norm Coleman.

At \$28 million and counting, this is the most expensive Senate race in the country, with most of the cash coming from out of state. Franken, who moved from New York back to his home state nearly three years ago for this election, has been on the defensive from the start, as Coleman has mined all sorts of offensive lines from thousands of jokes the comedian has told over his 57 years. "It's uncharted territory," says Franken. "They pull out a bit about a speech to Hartford Technical College, which is a made-up school. The bit was me pretending I was a jerk, but no one in their right mind would think I would actually say it. But they used it to say how much of an elitist I am." To say what a pervert Franken is,



Not So Funny. Do all those old jokes work against Al Franken in his race for a Senate seat in Minnesota? You betcha

BY JOEL STEIN

Coleman alluded to a smutty humor piece about virtual sex that Franken wrote for *Playboy* eight years ago. Of course, Franken has said much worse, especially if you repeat a joke in the stentorian voice of a political ad.

This month, Franken stopped arguing about how un-Hollywood his lifestyle is (he's been married to the same Minnesota woman for 32 years, and she made extra sandwiches when she heard I was spending the day with him) and instead ran ads about how he's not proud of all the jokes he's told. Amy Klobuchar, the Democratic Senator from Plymouth, Minn., applauded Franken for that. "Minnesotans, if they hear people saying things they think are inappropriate, they want an explanation. I think it's good he confronted it and talked about it." Franken has hired all kinds of staffers from other campaigns, but what he really needs, much like the *New Yorker*, is a staffer who explains his jokes.

Back when he was trying to be the Bill O'Reilly of the left, ranting as a host on Air America and writing books like *Rush Limbaugh Is a Big Fat Idiot and Other Observations*, Franken didn't have to modulate his personality. Now he has cut way back on the joking and has become a little more boring than people are used to. Which wouldn't be a big deal—he's still funnier than any other candidate in American history—but voters here are so familiar with him that a little holding back erodes his authenticity. "Occasionally, I go, 'Oh, there's a kind of joke I don't do anymore.' I used to not care if a joke could be misinterpreted. Now I do care if a joke can be misunderstood," he says. "But that doesn't take up a lot of brain space to figure that out." He won't, for instance, appear on *Saturday Night Live* this season. "We have to do everything so people understand that this is a real campaign and not just a conceptual-art piece," he says.

For a guy who named the 1980s after himself, he has run a remarkably genuine campaign. He's been at it for nearly five years, going around the state to parades and barbecues and supporting local Democrats by using his celebrity to draw people to fund raisers. He learned the local politics of Minnesota, first going to Washington to meet all the state's Representatives and then systematically meeting everyone who influences county politics and who would later need to be wooed at the state caucuses. "I enjoyed it, but not to the extent Bill Clinton does," says Franken. And he's a little worn down from all the fundraising. "I don't mind calling people for money. I mind asking people for money for five hours in a row. It drives me crazy."



On the midway Franken, center, at the 2007 Minnesota State Fair

At \$28 million and counting, this is the most expensive Senate race in the country, with most of the cash coming from out of state

His footing has been good, despite the fact that his campaign says opponents have several people videotaping him at most public events. One hung around so much that Team Franken adopted him and fed him the kind of chocolate it discovered he liked best.

After the Rogers parade, Franken rides an hour to the Chisago County Democratic-Farmer-Labor Party BBQ, where he asks the jazz band of elderly men to play him in. In front of 50 people, he delivers his stump speech about how kids he meets in high schools cannot remember an America that is respected in the world. Then he jogs off to serve hot dogs. Standing nearby is Jim Oberstar, a Democrat in the House since 1975, who marvels at how hard Franken has worked the state. Oberstar has given Franken only one bit of advice, which he delivered right after they met years ago at another barbecue. "I told him, 'You have to stop laughing when you talk to people.' It was an unconscious action on his part. Something he's done in his career." Franken's harsh, loud laugh after his own jokes isn't just weird for a politician; it's weird

for a comedian. It's a bully's laugh, a challenge to disagree. And like all his tools, Franken wields it bluntly, completely unpolished as a politician.

Which is the other challenge that comes with tempering Franken's sense of humor: he can't use it to hide his aggression. Franken is that rare confrontational nerd, the tough Jew of a generation before him instead of the smoother, modern one that Coleman exemplifies. He still has the chest and disposition of a high school wrestler, and he famously took down a disruptive heckler at a Howard Dean rally in 2004. He loves obscure policy details, partly because he can use them to verbally beat up opponents. At the debate with Coleman on Aug. 5 at Farmfest in Redwood County, he seemed to win all the arguments but lose the audience with his aggressive style. Even for a potential Senator, he is relentlessly competitive. When we're riding in the back of his Ford Escape hybrid, I make the mistake of mentioning that when I interviewed Ted Nugent, he didn't know the Ten Commandments. For the next five minutes, Franken doesn't talk about anything except trying to name all the commandments. (He succeeds.) Then I make an even stupider comment about how much harder it would be to name all the constitutional amendments, and Franken is off again. "Holy mackerel," he says after rattling off the first three. "Come on, I know them! Let's do it! Let's do it together!" Luckily, we do not.

But toward the end of the day, Franken finds a way to connect. He's at the Rum River Family House Residence, a place for recovering-addict moms. And he doesn't even consider making a joke about the fact that it's the world's worst-named rehab center. Sitting around the living room, drinking coffee and eating lemon bars that the recovering meth moms have made, Franken reveals that he was "co-dependent" with someone close to him. As they tell their addiction stories, he's perfectly empathetic, nodding and using the language of recovery like someone mistakenly doing a serious, dramatic reading of his 12-step *Saturday Night Live* character, Stuart Smalley. After they finish, Franken looks up and says, "Thanks for inspiring me. If I'm in the Senate, I'll fight for this stuff. Because..." And then he stops and looks away, trying not to cry. It's silent for a minute, and then one of the women quietly says, "You've got my vote." To which Franken says, "That's why I said it." And at that moment, Franken is an unbeatable politician. Not because he's funny or smart. But because all the people in the room know he understands them. ■

Cocaine Capital

In Culiacán, the heart of Mexico's drug country, narco gangs are massacring cops and one another—and are then celebrated in song. Why U.S. aid in the war on drugs won't change the balance of power

BY TIM PADGETT AND IOAN GRILLO/CULIACÁN



\$25 BILLION

Estimated annual value of drugs trafficked through Mexico

\$7 BILLION

The Mexican government's annual federal-security budget



Who's in charge? Despite a show of strength by federal forces, above, narco gangs continue to gun down cops in the streets, left.

THE BULLET HOLES IN THE SAFE-HOUSE DOOR TELL you who's winning Mexico's drug war. The armor-piercing ammunition, fired from the inside by drug traffickers, shredded the 20-gauge steel like small cannonballs; the rounds fired from the outside, by federal police, merely punctured the metal like so much bird shot. After that midnight firefight on May 27—the result of a botched police raid in the desert city of Culiacán in northwestern Mexico—seven cops lay dead. Only one narco gunman died; the rest, at least half a dozen, escaped. For neighbors, the carnage carried an unambiguous message. “I realized,” says Victor Rodriguez, a fishmonger and family man, “that the power of the narcos has surpassed the power of my government.”

People across the country are coming to the same depressing conclusion. There have been 2,000 drug-related murders in Mexico this year, including scores of ghastly beheadings, putting 2008 well on pace to break last year's record of 2,500 killings. Hundreds of victims are police, including the chief of the federal police, who was killed in May. While inaugurating a federal-police post in Mexico City in June, President Felipe Calderón insisted that the “state is stronger than any criminal organization.” But in a poll released a couple of weeks earlier by the Mexico City daily *Reforma*, 53% said the narcos were winning the drug war. Even Washington, famous for ignoring crises south of the border, is alarmed. To back up Calderón—and keep the mayhem from spilling into the U.S.—Congress recently approved \$400 million for Mexico in 2009 as part of his and President George W. Bush's Mérida Initiative, a three-year aid package for beleaguered drug-interdiction forces.

But is Washington making the smartest use of the Mérida money? More than two-thirds of it will buy tools like helicopters and surveillance technology. Events like the May shoot-out demonstrate the importance of improved hardware,

yet Mexico, the hemisphere's fourth largest economy, already has a \$7 billion federal-security budget and can acquire those tools by itself.

What Mexico needs more of from the U.S., say security experts, is financial and technical help in recasting its dysfunctional police and judiciary—more professional training, infrastructure and especially pay. Too many of the nation's police, many of whom earn a measly \$5,000 a year, moonlight for the drug gangs. That's why Calderón deployed 25,000 army troops last year to take on the narcos. The military may have dealt some telling blows, like larger cocaine seizures and more arrests, but armies tend to be lousy at long-term drug interdiction and are prone to human-rights abuses when they play





Desert War

For more photos of the fight against the Culiacán cartels, go to time.com/culiacan



End of the line for local heroes A Culiacán cemetery boasts elaborate monuments and tombs for drug traffickers and posters celebrating the lives of dead gangsters

sheriff. It's honest cops that Mexico needs. Unless the country develops modern police forces—investigative bodies that can attack not only the cartels but also the political and business interests that protect them and launder their money—efforts like Mérida will be largely symbolic. Says Arturo Alvarado, a security expert at Mexico City's Autonomous Technological Institute: "The Mérida plan is just a reproduction of the failed antidrug strategies we've been using for the past 20 years."

While they're glad to have more money to fight the narcos, Mexican officials also say the U.S. could do much more—like policing its own side of the border more effectively. The gangs owe their wealth to U.S. consumers (Americans still snort half the world's cocaine) and their firepower to the deluge of pistols, semiautomatic rifles and grenades smuggled in from the U.S. "The effort and lives the Mexican people are giving to this fight," Mexican Attorney General Eduardo Medina Mora tells *TIME*, are "much larger than their share of responsibility for the problem." As if to concede that point, Congress inserted \$74 million into the Mérida plan to combat the gunrunning.

Heart of Darkness

GUN SMUGGLERS DO A BRISK BUSINESS IN Culiacán and surrounding Sinaloa state, where gangland-style murders—more than 600 this year—have made the region a byword for lawlessness. After the seven feds were killed in the May 27 shoot-out, Calderón sent 2,000 additional troops into Sinaloa. They have rattled the narcos, impeding some trafficking routes and increasing weapons seizures. But such success has prompted a criminal insurgency against the government, led by two powerful drug groups: the Sinaloa Cartel, headed

'I realized that the power of the narcos has surpassed the power of my government.'

—VÍCTOR RODRÍGUEZ, RESIDENT OF CULIACÁN, AFTER A SHOOT-OUT LEFT SEVEN FEDERAL POLICEMEN DEAD

by Joaquín (Chapo, or "Shorty") Guzmán, and its foe, the Gulf Cartel, dominated by the Zetas, an ultraviolent group of former military commandos.

When we visited the city this summer, there were a slew of narco murders each day: a 22-year-old man riddled with bullets from AK-47 assault rifles, known in Mexico as *cuernos de chivo* (goat's horns) for their curved magazines; a wealthy tortilla merchant shot 74 times in his stylish pickup truck at a busy intersection; two police officers massacred on a residential street by more than 100 rounds each; another man decapitated and his head brazenly displayed on a roadside pike. "These days [narcos] think nothing of killing us for no reason other than marking their territory," says a Sinaloa state police commander who quit after seeing fellow cops murdered and concluding that police reform was hopeless. The gangs are likely to keep upping the ante: last month, there were two botched car-bomb attempts in Culiacán.

Sinaloa is the sweltering cradle of Mexico's \$25 billion-a-year drug-trafficking industry, the birthplace of most major Mexican druglords, and many Culichis, as Culiacán residents are known, seem to take perverse pride in it. "This is a tough people who conquered the desert," says El-

mer Mendoza, a popular Culiacán crime novelist. "Unfortunately, they admire people, like the narcos, who go in search of extremes." The state's patron saint, with his own downtown Culiacán chapel, is a 19th century bandit hero, Jesús Malverde. The local hit parade consists of *narco corridos*, ballads in praise of druglords; fashion is set by narcos—including orange ostrich-skin cowboy boots (only an armed gangster could get away with wearing them) and gold jewelry in the shape of *cuernos de chivo*; and the Humaya cemetery is a garish shrine to countless young Sinaloa men cut down by cartel bullets. César Jacobo, a songwriter for the *narco corrido* group Cartel de Sinaloa, has had numerous friends perish that way. "They still figure it's best to live large for a few years," he says, "than to live poor for life."

But the phenomenon is hardly confined to the poor. "Too many affluent Culichis," says Javier Valdez, a columnist for the muckraking newspaper *Rio Doce*, "complain about the narco problem during the day and then go to bed with it at night." Many are happy to launder the cartels' millions—which account for an economic boom in Culiacán, replete with new Hummer dealerships, and casinos and nightclubs where women sport diamond-encrusted fingernails. Laundering sustains a network of drug-tainted businesses—from cattle ranches to currency-exchange houses to motels—that the feds are finally probing and in some cases have shut down.

Culichis take for granted that many of their politicians are on the cartels' payrolls. The spotlight is currently on Oscar Félix, a state legislator. The military arrested three of his brothers this summer with a whopping 18 kg of cocaine, worth more than \$500,000 on the U.S. market; Félix acknowledged that a top druglord is his brother-in-law and that the safe house where the feds were gunned down in May was once one of his campaign headquarters. He denies any wrongdoing and tells *TIME* he's "just a humble representative of farmers who's being demonized by enemies." But colleagues are demanding that he be investigated. Yudit del Rincón, a state legislator who is among Félix's critics, says that in order to defeat the narcos, "we've got to tear down our narco spiderwebs" of gangsters, politicians and business. Because of her efforts to expose them, Del Rincón's car was attacked with baseball bats, and a funeral wreath was sent to her house as a warning. In Culiacán, and in countless other Mexican cities, the spiders have the upper hand. ■

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Sally Field	Charles Gibson	Neil Patrick Harris	Salma Hayek	Scarlett Johansson
Julia Louis-Dreyfus	Masi Oka	Danica Patrick	Christina Ricci	Robin Roberts
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Big Splash!

ATHLETIC PROWESS IS A DOUBLE-EDGED sword: part gift and part gumption, some luck blended with sacrifice, pain and, on a few occasions, true glory. Olympic races produce such moments, and swimmer Michael Phelps now has experienced more of them than any other athlete, including a part in the stunning 4 x 100-m-relay win anchored by Jason Lezak.

If Phelps seemed nonchalant about the honor of Greatest Olympian—"It's a pretty cool title, I guess," he said—it's not because he doesn't appreciate or respect what it means. He has always been ambivalent about his achievements, yearning for the thrill of racing but struck dumb when it comes to explaining why or how he does it. He shrugs off questions about his motivation and ability to shock and awe, offering only "I just like to swim fast" as an explanation. Once he overcame his childhood fear of being under water, the water became the place where he talks—shouts, really. This is swimming, his bullet-like body exclaims. This is the beauty of sport and the power of the human form at its limit. After the Games, Phelps says, he will return to Baltimore, to his friends, his family and everything familiar—where he can once again be just a guy who likes to swim fast. —BY ALICE PARK/BEIJING

Fly boy Phelps' goggles filled with water, but he managed a fourth gold and a record in the 200-m fly

Pollution's Effect? It's Unclear

Fears that Beijing's awful air would hinder performances might have been dispelled by the way the swimmers pulverized world records. But the real test of the city's pollution controls will come when endurance athletes race outside in Beijing's hot, humid and polluted air. There have been casualties already: more than a third of the cyclists competing in the 152-mile (245 km) men's road race Aug. 9 dropped out, in part because of conditions so stifling that one rider compared it with racing at 10,000 ft. (about 3,000 m)—on a course that topped out at 1,083 ft. (330 m). Olympians in Beijing are breathing a soup of pollutants—including ultrafine particulates, carbon monoxide, sulfur oxides and ozone, each of which might slow them down. A



recent study shows why. Kenneth Rundell of Marywood University in Scranton, Pa., had 15 college hockey players bike flat out for 6 min., breathing first low, then high-particulate air. By their second ride in polluted air, the subjects' performance had decreased an average of 5.5%. For a marathoner, that's a loss of up to 7 min.—enough to put a world record well out of reach.

—BY BRYAN WALSH



Jiang Yuyuan

The Medal Machine Is Cranking

THE SYMBOLISM OF CHINA'S powerful emergence as an athletic nation was impossible to ignore. On the first full day of Olympic competition, Chen Xiexia, a 5-ft. (1.52 m) female weight lifter, heaved a barbell to the heavens and captured the host nation's first gold medal. Over the next four days, China's lifters won five more times. By Wednesday, the People's Republic already boasted

17 golds, seven more than the U.S. total.

With home-turf advantage in Beijing, China may finally snap America's hold on winning the most golds. But with the exception of gymnastics, in which China beat the U.S. in both the men's and women's team events, the two countries essentially compete in parallel Olympics. In the glamour events, it's no contest. The U.S. has dominated swimming and is expected to gorge on track medals. China, meanwhile, has churned out golds in weightlifting, synchronized diving, shooting, fencing and judo. Not exactly prime-time viewing in the U.S., but a medal in the 10-m air pistol counts just as much as one in the 100-m dash. China's fans have rallied raucously for their homeland. Events like weightlifting and shooting, which took place in half-empty stadiums at previous Games, have capacity crowds in Beijing.

China's golden harvest is no accident. In the 1990s, sports czars accelerated a "gold-medal strategy," which lavished state funds on sports with multiple gold-medal categories. China could sweep all nine golds in table tennis and badminton.

But is the People's Republic playing fair? The golden performance of its female gymnasts was dogged by accusations that China was illegally entering 14-year-olds in a competition reserved for athletes who will turn at least 16 during the Olympic year. For a nation anxious to prove its greatness, the pressure to win gold is extraordinary. On the eve of the Olympics, Huang Yubin, head coach of China's gymnastics squad, said he would "jump off the highest building" if his team won only one gold. By Wednesday, China had already nabbed two, so Huang didn't have to take up diving.

But the intense pressure is showing. In shooting, surely one of the Games' most mental disciplines, two Chinese marksmen favored for gold simply disintegrated and left the stadium weeping. "My craving for the gold was much more than last time," sobbed Zhu Qinan, the defending Olympic champ in the 10-m air rifle. "I fought hard with my inner self, but it was really hard." —BY HANNAH BEECH/BEIJING

NBC UNIVERSAL IS DELIVERING 3,600 HOURS OF COVERAGE, 1,000 MORE THAN THE TOTAL OF ALL PRIOR SUMMER GAMES; IN 1960, 20 HOURS WERE BROADCAST FROM ROME. A RECORD 107 MILLION U.S. VIEWERS TUNED IN ON OPENING SUNDAY TO WATCH THE BEIJING GAMES



Eligible bachelor Bindra wins a first-ever gold for India, making him a hot commodity

India's New Medal Record: 1

ON AUG. 11, ABHINAV BINDRA BECAME the first Indian in history to win an individual gold medal at the Olympics, rallying late from fourth place to take the title in the 10-m air rifle. The shooting win came just days before his country's Aug. 15 national holiday and set off a frenzy back home. Bindra's picture was splashed across front pages; his medal ceremony played in a ceaseless TV loop. Even the English-language, state-run *China Daily* featured Bindra, a gesture of goodwill to the country's rival rising power. Unlike China, though, India has until recently shown a monumental indifference to Olympic sports.

The well-manicured Bindra, 25, is now his country's most eligible bachelor. His mother has fielded several marriage offers. She wants a traditional housewife for her son, thank you. The new bride would join a very wealthy bunch: Bindra's father Ajit owns an agriculture, manufacturing and power conglomerate. After his mother Babli caught him tossing balloons off a maid's head—right on target—she hired a shooting coach, and his father built him an air-conditioned range in the backyard. His reward for winning gold: a \$350,000 bonus from steel baron Lakshmi Mittal, who has sponsored some Indian athletes, and more than \$550,000 from local government bodies and sports ministries. His gift from Dad: a hotel. —BY SEAN GREGORY/BEIJING AND JYOTI THOTTAM/NEW DELHI



Jason Lezak

A Handy Distance Between Gold and Silver

The French swimmers had promised to "smash" the Americans in the 4 x 100-m freestyle relay, but the U.S. men took the gold with a last-millisecond comeback by anchor Jason Lezak. The team—Michael Phelps, Garrett Weber-Gale, Cullen Jones and Lezak—smashed the world record by nearly 4 seconds. How it unfolded:

	LEG 1	LEG 2	LEG 3	LEG 4
U.S.	47.51	1:34.53	2:22.18	3:08.24
France	47.91	1:34.96	2:21.59	3:08.32



Alain Bernard of France

0.08 sec. At Lezak's speed, that equals 6.8 in. (17.3 cm)



The Great American Yard Sale.

Beer to buildings, airports to biotech: foreigners are buying U.S. assets on the cheap. It matters more than you think

BY JEFF ISRAELY/PARIS AND WILLIAM BOSTON/BERLIN





SOLD
\$52 BILLION

Belgian-Brazilian InBev will soon own the all-American brewer of Budweiser



FOR SALE
\$3.8 BILLION

GE is having an appliance sale. Likely suitors for its white-goods unit: China's Haier and Korea's LG



IN PLAY
\$44 BILLION

Swiss pharma Roche Holding is on track to buy the 44% stake in U.S. biotech company Genentech that it doesn't already own



SOLD
\$800 MILLION

Abu Dhabi bought 90% of the Chrysler Building, New York City's Art Deco Jewel

WHEN BELGIAN-BASED, Brazilian-controlled InBev launched a hostile offer for American beer king Anheuser-Busch last month, xenophobia quickly foamed to the top. Beer drinkers in St. Louis, Mo.—A-B's home—vowed to swear off Bud if those foreigners bought “our” beer.

They'll get over it. A-B's shareholders sure did, considering the \$52 billion price tag, which at \$70 a share was a 27% premium for a stock that had gone flat. The ruling Busch family ultimately faced up to the fact that the U.S. is for sale, and foreigners are buying. It's everything from the St. Tropez crowd buying up condos in Palm Beach, Fla., to Asian and Middle Eastern governments sinking billions into U.S. banks to Europeans taking over U.S. pharmaceutical and infrastructure companies. Even tourists are busy using their euros and pounds to snap up iPhones, jeans, shoes and everything else they can stuff into the empty suitcases they carry along for just that purpose, damn them.

The weak dollar and our weakening economy are underwriting the great American yard sale. Investors from Dubai are behind the June purchase of the General Motors Building in New York City for \$2.8 billion. The Abu Dhabi Investment Council's sovereign wealth fund bought a 90% stake in the landmark Chrysler Building. General Electric's plastics division is gone, and its famed appliance unit could soon be in the hands of China's Haier or South Korea's LG. Chrysler is hoping to hook up with India's Tata Motors or Italy's Fiat. Switzerland's Roche Holding is offering about \$44 billion to acquire the 44% of the biotechnology outfit Genentech that it doesn't own.

The surge of foreign buying spans the economy. Since 2003, foreign-led mergers and acquisitions have increased more than sixfold. Last year there were over 2,000 foreign-led acquisitions of U.S. companies in deals worth some \$405.4 billion, twice the value of deals in 2006 and up from \$60.8 billion in 2003, according to Thomson Reuters, the financial information company. Unlike the 1980s panic about the Japanese buying up American landmarks like Rockefeller Center, the response of the financial establishment has been to welcome the latest rush of foreign investment. “The U.S. needs these flows, particularly now,” says Bank of America chief market strategist Joseph Quinlan. “It helps create income and jobs for Americans.”

That would include Anne Marie Moriarty, a vice president at Corcoran Real Estate Group, who shuttles between New York City and European capitals, tempting foreign buyers with choice American prop-

erties. Moriarty is brokering the \$16 million sale of an apartment in Manhattan's Chelsea neighborhood to an Italian buyer, just one of the latest in her run of foreign deals. She says that since March 2007 her residential sales to foreigners have doubled, which is part of the reason that New York's real estate prices have held up in an otherwise tanking market. “It's bucking the trend,” says Moriarty. Foreigners “see it as a long-term investment. Part of [real estate] for them is owning a piece of New York.”

Foreign companies were also the buyers in four of the top U.S. commercial real estate deals in 2007, according to *Real Estate Alert* newsletter. Rome-based investor Valter Mainetti has been building his Michelangelo Fund around trophy properties, ones that have historical or architectural value beyond their location and square footage. In 2006 he acquired a minority share in New York City's Flatiron Building, a property that today is valued at \$180 million. In June he raised his holdings to a 53% share of the famous building. “The Flatiron is expensive, but with the [cheap] dollar, it made sense to increase our share,” says Mainetti. “The stability of the New York real estate market is unique. This current crisis will pass, and the dollar will re-establish itself. We are confident.”

Foreigners spent \$52.2 billion on U.S. commercial real estate in 2007, double the previous year's total, according to Real Capital Analytics, a research group based in New York City that tracks property investment. Dan Fasulo, head of research at Real Capital Analytics, says foreign investment in U.S. property is a relatively recent phenomenon. He compared the current trend to the globalization of stock market portfolios in the 1980s. “This isn't just about the dollar. The strongest driver is that investors are looking for geographical diversification. The same situation played out on Wall Street about 10 to 15 years ago,” he says.

Buy American (Companies)

OVER THE PAST FIVE YEARS, FOREIGN TAKEOVERS OF U.S. companies have steadily risen. Among the more notable: Swiss pharmaceutical maker Novartis' \$39 billion staggered buyout of Alcon, the world leader in eye care; British energy distributor National Grid's takeover of utility KeySpan Corp. for \$11.8 billion; Saudi Arabian petrochemical company SABIC's acquisition of GE's plastics division for \$11.6 billion; and Italian aerospace company Finmeccanica's pending takeover of the U.S. military contractor DRS Technologies in a \$5.2 billion deal. Some 55% of foreign direct investment in the U.S. came from the Old Country last year, with extra impetus now coming from its currency advan-

tage. Says Scévole de Cazotte, senior policy director for Europe at the U.S. Chamber of Commerce: "European companies are very much conscious of the potential windfall. You buy cheap now with the belief that in 10 years the currency will have rebounded."

Infrastructure is a prime example. Barcelona-based Abertis has been buying up airport-operation contracts from Atlanta and Burbank, Calif., among others, and a variety of service contracts in telecommunications and parking garages. Now it is seeking a \$12.8 billion deal to operate the Pennsylvania Turnpike, but the state legislature has balked. The road to growth leads to the U.S., says Abertis spokesman Toni Brunet, who notes that states and municipalities have lagged behind European public entities in privatization. "In terms of infrastructure, the U.S. is an emerging market," says Brunet.

Indeed, European infrastructure firms calculate that the U.S. needs a massive infusion of capital to modernize its roads, bridges and power lines, highlighted by a recent spate of blackouts and the tragic collapse of a Minneapolis highway bridge last year. Steve Lucas, CEO of British power utility National Grid, says estimates are that the U.S. will spend \$2 trillion in the next two decades upgrading electricity and gas infrastructure. "That's bigger than China," he notes.

The U.K.-based utility has been on a shopping spree that—while hardly anyone was looking—has transformed the company into a force in power and gas in the U.S., serving 4.4 million electricity customers and 3.4 million gas customers. In 2000 it bought New England Electric System and the Eastern Utilities Association. Two years later it grabbed Niagara Mohawk. Then in 2006 it scooped up Rhode Island Gas, and last year it completed its acquisition of KeySpan. That deal put National Grid among the top five distributors of electricity and natural gas in the U.S.

Shopping for Innovation

IT'S NOT JUST ABOUT ACCUMULATING BUILDINGS or businesses. The U.S. is also a technology supermarket. Talk to Peer Michael Schatz, CEO of Qiagen, a German biotech

firm that is a leader in technologies to isolate and prepare DNA and RNA for medical testing. Last year Qiagen merged with Digene, a U.S. biotech group that has developed groundbreaking diagnostic technology for the early detection of cervical cancer. Schatz says constant shopping for innovation in the U.S. is a key to his business plan, scouring technology-auction sites of American universities, searching for the right technology in the early phases of development. "The difference between the U.S. and Europe is that the U.S. has stellar science and a rapid rate of innovation and transferring that technology to the market for commercial purposes," he says. "No other country comes close."

There's even an upside to the relative cheapness of the U.S. dollar. Volkswagen

Foreign Buyers' Market

Non-American shoppers are snapping up part or all of choice U.S. assets

1 Anheuser-Busch	\$52 billion
2 Genentech	\$44 billion
3 Alcon	\$39 billion
4 Barr Pharma	\$8.9 billion
5 Millennium Pharma	\$8.8 billion
6 Merrill Lynch	\$6.6 billion
7 DRS Tech	\$5.2 billion
8 Phila. Consolidated	\$4.7 billion
9 APP Pharma	\$3.7 billion
10 GM Building	\$2.8 billion

Sources: Dealogic; Real Capital Analytics

CEO Martin Winternkorn wants to boost the number of VWs the company sells in the U.S. to 800,000 over the next decade. But he has to cut costs to get the price down, which means building the cars on American soil with more U.S.-made components. So in July, Volkswagen announced plans to build two new sedan models in a \$1 billion plant in Tennessee. VW hopes to export cars to Europe. "They could save \$8,000 a car by building in the U.S.," says Sean McAlinden, chief economist with the research group Center for Automotive Research, based in Ann Arbor, Mich. "The market has changed. It will be a much bigger market for the kind of small car with advanced technology that the Europeans are so good at making."

And it's not just Volkswagen. GM's European-manufactured Opel Astra is expected to be built in the U.S. in the future. Volvo, writhing under the burden of the weak dollar, has reportedly asked Ford to find facilities for it to produce Volvos in the U.S. instead of Sweden.

Viewed from ground level, rising investment in the U.S. looks like a great thing. Without the inflow of foreign capital, the dollar would probably be even weaker and interest rates and inflation could be higher. But Joseph Stiglitz, a Nobel Prize winner and former chief economist of the World Bank, says there may not be a happy ending. For years, Stiglitz has warned that Americans are living beyond their means. The U.S. trade deficit exceeded \$712 billion last year, or 5.1% of GDP. That's nothing more than America's borrowing money from abroad to support a lifestyle that is unsustainable. But whether foreigners are now buying hotels, pharmaceutical companies or utilities, the numbers tell us that the rest of the world is no longer willing to foot the bill to feed America's consumption habit. "It's not just that American assets are cheaper. The untold story here is that foreign investors are no longer willing to finance American debt," says Stiglitz. "They now want equity."

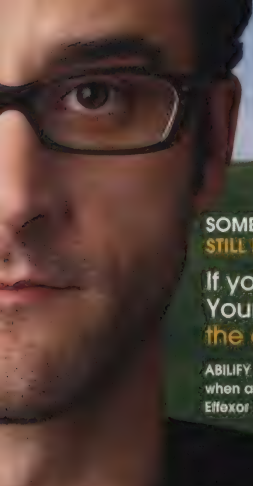
We used to measure the economy in terms of GNP, which is the amount of income produced by U.S. citizens. But now we measure it by GDP, the income that is actually produced in America. The distinction becomes important, says Stiglitz, when an increasing proportion of the country is owned abroad. "If you were to look at America Inc. as a company, it's like owning a company and you own a smaller and smaller fraction of it. So the fraction of America Inc. owned by Americans is diminishing," says Stiglitz.

That means that when the economy recovers, there will be less wealth left in the country to reinvest in it. But then returning to the original question—Why is the American yard sale not setting off alarms?—Stiglitz explains that the alternative is even worse. "There isn't an outcry," he says, "because the focus right now is the weakness of the American economy, and anything to keep our economy going is welcome." That's why no one really objected to Citibank's becoming a Middle Eastern-financed bank, because it's better than Citi's becoming a dead bank. "But clearly we're worse off as a country," he says.

When the dust settles on the current downturn, the U.S. economy will probably regain its dealmaking swagger. But unlike the Japanese experience in the 1980s, the current trend of foreign buyouts won't be unwound. Yet the only way for the U.S. to avoid becoming a second-rate economy is to make the investments necessary to stay ahead in knowledge and innovation. Will we do it? There are a whole bunch of rich foreigners who have just bet their future on it. ■

'The untold story here is that foreign investors are no longer willing to finance American debt. They now want equity.'

—JOSEPH STIGLITZ, NOBEL ECONOMIST



**SOME PEOPLE TAKING AN ANTIDEPRESSANT
STILL HAVE UNRESOLVED SYMPTOMS OF DEPRESSION.**

**If you're one of them, talk to your doctor.
Your options may include adding ABILIFY to
the antidepressant you're already taking.**

**ABILIFY is the only medicine FDA-approved to treat depression in adults
when added to an antidepressant (such as Lexapro®, Zoloft®, Prozac®,
Effexor XR®, Paxil CR®, or a generic equivalent).^{*}**

IMPORTANT SAFETY INFORMATION:

Elderly patients with dementia-related psychosis (eg, an inability to perform daily activities due to increased memory loss) taking ABILIFY have an increased risk of death or stroke. ABILIFY is not approved for treating these patients.

Antidepressants can increase suicidal thoughts and behaviors in children, teens, and young adults. Serious mental illnesses are themselves associated with an increase in the risk of suicide. When taking ABILIFY call your doctor right away if you have new or worsening depression symptoms, unusual changes in behavior, or thoughts of suicide. Patients and their caregivers should be especially observant within the first few months of treatment or after a change in dose. Approved only for adults 18 and over with depression.

- Alert your doctor if you develop very high fever, rigid muscles, shaking, confusion, sweating, or increased heart rate and blood pressure, as these may be signs of a rare but potentially fatal condition called neuroleptic malignant syndrome (NMS)
- If you develop abnormal or uncontrollable facial movements, notify your doctor, as these may be signs of tardive dyskinesia (TD), which could become permanent
- If you have diabetes or have risk factors or symptoms of diabetes, your blood sugar should be monitored. High blood sugar has been reported with ABILIFY and medicines like it. In some cases, extreme high blood sugar can lead to coma or death
- Other risks may include lightheadedness upon standing, seizures, trouble swallowing, or impairment in judgment or motor skills. Until you know how ABILIFY affects you, you should not drive or operate machinery

The common side effects in adults in clinical trials ($\geq 10\%$) include nausea, vomiting, constipation, headache, dizziness, an inner sense of restlessness or need to move (akathisia), anxiety and insomnia. Tell your doctor about all the medicines you're taking, since there are some risks for drug interactions. You should avoid alcohol while taking ABILIFY.

You are encouraged to report negative side effects of prescription drugs to the FDA. Visit www.fda.gov/medwatch, or call 1-800-FDA-1088.

Please read the Important Information about ABILIFY on the adjacent page.

*Lexapro® (escitalopram oxalate), Zoloft® (sertraline HCl), Prozac® (fluoxetine hydrochloride), Effexor XR® (venlafaxine HCl), Paxil CR® (paroxetine HCl) are trademarks of their respective companies.

**ADD-ON TREATMENT FOR
UNRESOLVED SYMPTOMS
OF DEPRESSION IN ADULTS**


ABILIFY
(aripiprazole)

2 mg, 5 mg Tablet

www.abilify.com

If you're uncertain you know where to go for medicines, call
1-800-499-ADW or 1-800-477-2469. Or go to www.gpiusa.org



OTC products
Prescription products

IMPORTANT INFORMATION ABOUT ABILIFY

This summary of the Package Insert contains risk and safety information for patients about ABILIFY. This summary does not include all information about ABILIFY and does not take the place of discussions with your healthcare professional about your treatment. Please read this important information before you start taking ABILIFY and discuss any questions about ABILIFY with your healthcare professional.

Name

ABILIFY® (a-*BIL*-i-*F*i) (aripiprazole) (o-ri-P-*IP*-ro-zoll)

What is ABILIFY?

ABILIFY (aripiprazole) is a prescription medicine used as an add-on treatment to antidepressants for Major Depressive Disorder in adults.

What is depression?

Depression is a common but serious medical condition. Symptoms may include sadness, loss of interest in activities you once enjoyed, loss of energy, difficulty concentrating or making decisions, feelings of worthlessness or excessive guilt, insomnia or excessive sleep, a change in appetite causing weight loss or gain, or thoughts of death or suicide. These could be depression symptoms if they interfere with daily life at home, at work, or with friends and last most of the day, nearly every day for at least 2 weeks.

What is the most important information that I should know about antidepressant medicines, depression, and other serious mental illnesses?

- Antidepressant medicines may increase suicidal thoughts or actions in some children, teenagers, and young adults
- Depression and serious mental illnesses are the most important causes of suicidal thoughts and actions

For more information, see the Prescribing Information and the Medication Guide called *Antidepressant Medicines, Depression and Other Serious Mental Illnesses, and Suicidal Thoughts or Actions*.

Who should NOT take ABILIFY?

People who are allergic to ABILIFY or to any substance that is in it. Allergic reactions have ranged from rash, hives and itching to difficulty breathing and swelling of the face, lips, or tongue. Please talk with your healthcare professional.

What is the most important information that I should know about ABILIFY?

Elderly patients, diagnosed with psychosis as a result of dementia (for example, an inability to perform daily activities as a result of increased memory loss), and who are treated with antipsychotic medicines including ABILIFY, are at an increased risk of death when compared to patients who are treated with a placebo (sugar pill). ABILIFY is not approved for the treatment of patients with dementia-related psychosis.

Antidepressants may increase suicidal thoughts or behaviors in some children, teenagers, and young adults, especially within the first few months of treatment or when the dose is changed. Depression and other serious mental illnesses are themselves associated with an increase in the risk of suicide. Patients on antidepressants and their families or caregivers should watch for new or worsening depression symptoms, unusual changes in behavior, or thoughts of suicide. Such symptoms should be reported to the patient's healthcare professional right away, especially if they are severe or occur suddenly. ABILIFY is not approved for use in pediatric patients with depression.

Serious side effects can occur with any antipsychotic medicine, including ABILIFY. Tell your healthcare professional right away if you have any conditions or side effects, including the following:

Stroke or ministroke in elderly patients with dementia: An increased risk of stroke and ministroke has been reported in clinical studies of elderly patients with dementia (for example, increased memory loss and inability to perform daily activities). ABILIFY is not approved for treating patients with dementia.

Neuroleptic malignant syndrome (NMS): Very high fever, rigid muscles, shaking, confusion, sweating, or increased heart rate and blood pressure may be signs of NMS, a rare but serious side effect that could be fatal.

Tardive dyskinesia (TD): Abnormal or uncontrollable movements of face, tongue, or other parts of body may be signs of a serious condition known as TD, which may be permanent.

High blood sugar and diabetes: Patients with diabetes and those having risk factors for diabetes (for example, obesity, family history of diabetes), as well as those with symptoms such as unexpected increases in thirst, urination, or hunger should have their blood sugar levels checked before and during treatment. Increases in blood sugar levels (hyperglycemia), in some cases serious and associated with coma or death, have been reported in patients taking ABILIFY, and medicines like it.

Orthostatic hypotension: Lightheadedness or faintness caused by a sudden change in heart rate and blood pressure when rising too quickly from a sitting or lying position (orthostatic hypotension) has been reported with ABILIFY.

Suicidal thoughts: If you have suicidal thoughts, you should tell your healthcare professional right away.

Dysphagia: Medicines like ABILIFY (aripiprazole) have been associated with swallowing problems (dysphagia). If you had or have swallowing problems, you should tell your healthcare professional.

What should I talk to my healthcare provider about?

Patients and their families or caregivers should watch for new or worsening depression symptoms, unusual changes in behavior and thoughts of suicide, as well as for anxiety, agitation, panic attacks, difficulty sleeping, irritability, hostility, aggressiveness, impulsivity, restlessness, or extreme hyperactivity. Call your healthcare provider right away if you have thoughts of suicide or if any of these symptoms are severe or occur suddenly. Be especially observant within the first few months of antidepressant treatment or whenever there is a change in dose.

Tell your healthcare provider about any medical conditions you may have and all medicines that you are taking or plan to take, including prescription and nonprescription (over-the-counter) medicines.

Be sure to tell your healthcare provider:

- if you have suicidal thoughts
- if you or anyone in your family have or had seizures
- if you or anyone in your family have or had high blood sugar or diabetes
- if you are pregnant, plan to become pregnant, or are breast-feeding

What should I avoid when taking ABILIFY?

- Avoid overheating and dehydration
- Avoid driving or operating hazardous machinery until you know how ABILIFY affects you
- Avoid drinking alcohol
- Avoid breast-feeding an infant

What are the possible side effects of ABILIFY?

Common side effects in adults include: nausea, vomiting, constipation, headache, dizziness, an inner sense of restlessness or need to move (akathisia), anxiety and insomnia.

It is important to contact your healthcare professional if you experience prolonged, abnormal muscle spasm or contraction which may be signs of a condition called dystonia.

What percentage of people stopped taking ABILIFY due to side effects?

In clinical trials, the percentage of adults who discontinued taking ABILIFY due to side effects was ABILIFY (6%) and for patients treated with sugar pill (2%).

Can I safely take ABILIFY while I'm taking other medications?

ABILIFY can be taken with most drugs; however, taking ABILIFY with some medicines may require your healthcare professional to adjust the dose of ABILIFY.

Some medicines* include:

- ketoconazole (NIZORAL®)
- quinine (QUINIDEX®)
- fluoxetine (PROZAC®)
- paroxetine (PAXIL®)
- carbamazepine (TEGRETOL®)

It is important to tell your healthcare professional about all the medicines you're taking, just to be sure.

General advice about ABILIFY:



- ABILIFY is usually taken once a day, with or without food
- ABILIFY should be kept out of the reach of children and pets
- Store ABILIFY Tablets and the Oral Solution at room temperature
- For patients who must limit their sugar intake, be aware that ABILIFY Oral Solution contains sugar
- For patients who cannot metabolize phenylalanine (those with phenylketonuria or PKU), ABILIFY DISCMLT® contains phenylalanine
- If you have additional questions, talk to your healthcare professional

Find out more about ABILIFY:

Additional information can be found at www.abilify.com

* NIZORAL is a registered trademark of Janssen Pharmaceutics. QUINIDEX is a registered trademark of Wyeth Pharmaceuticals. PROZAC is a registered trademark of Eli Lilly and Company. PAXIL is a registered trademark of GlaxoSmithKline. TEGRETOL is a registered trademark of Novartis Pharmaceuticals.

Based on Full Prescribing Information as of 05/08 123955042.

 **Bristol-Myers Squibb**  **Otsuka America Pharmaceutical, Inc.**

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Orally Disintegrating Tablets, Oral Solution, and Injection manufactured by Bristol-Myers Squibb Company, Princeton, NJ 08543 USA.

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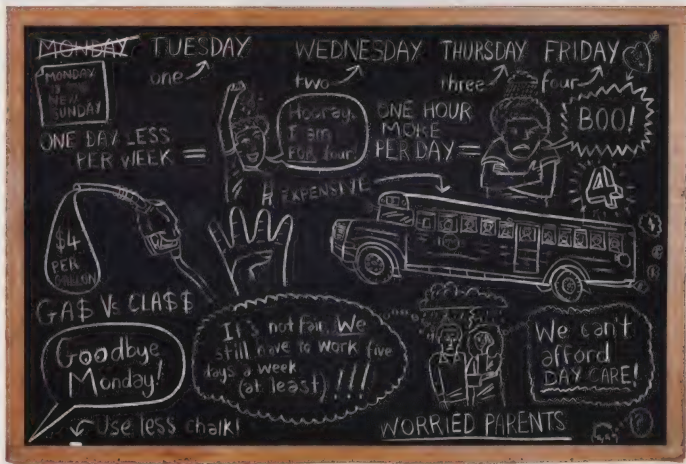
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Life

Goats are extremely cute and fairly intelligent (for livestock) and, importantly, delicious

FOOD, PAGE 54

EDUCATION FASHION LITIGATION NATION NERD WORLD FOOD



EDUCATION

Four-Day School Weeks. As gas prices go up and bus service eats into school budgets, more districts are starting to cut class

BY KATHLEEN KINGSBURY

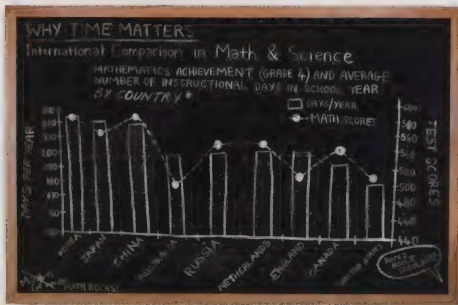
THE KIDS IN CALDWELL PARISH WILL BE ditching a lot of school this year. Every Monday, to be precise—and they're doing so with the principal's permission. Starting Aug. 11, this rural school system in northeastern Louisiana will hold classes only four days a week, following the lead of more than 100 school districts in 17

states. The reason? To save gas money.

As the price of diesel—which most school buses run on—topped \$4.70 per gallon last spring, school officials across the country watched their transportation costs skyrocket as much as 40%. Maryland's Montgomery County is debating whether to shrink its school-bus routes. In California, where state law doesn't require school districts to provide transportation, some

districts are planning to cancel bus service altogether. But perhaps the most radical solution is one that was employed during the last big gas crunch, in the 1970s: the four-day school week.

Back then, only a handful of districts switched to the shortened calendar (and most returned to a five-day week once the crisis subsided). This time around, however, nearly 1 in 7 school boards nationwide is



Source: National Center on Time and Learning

considering whether to drop a day, according to a recent survey by the American Association of School Administrators. Of 546 superintendents surveyed, nearly half said they plan to cut back on field trips, and 15% will eliminate extracurricular activities that require busing. Nearly a third reported having to lay off teachers, while others have closed down schools entirely. "A four-day schedule can often be the least painful option a district has," says Marty Strange, policy director for Rural School and Community Trust, a nonprofit in Arlington, Va. "It's really a small bandage on a deep cut."

In Caldwell Parish, where school buses travel more than 1,000 miles (1,600 km) a day ferrying the district's 1,800 students, the Mondays-off policy is expected to save \$135,000 this year, or about 5% of the annual operating costs. "We found our budget could only stretch so far," says superintendent John Sartin. "This was the best alternative under the circumstances."

With the new calendar, the number of hours Caldwell Parish pupils spend in class won't change. Instead, each of the four days of instruction will be lengthened an hour, and recesses and other breaks will be shortened. At the district's junior highs, for example, the school day will commence at 7:50 a.m. and end at 4:09 p.m.

So far there have been no formal studies on the effects that a condensed schedule has on student performance. Anecdotal, however, the experiment appears to be paying off for some districts, both financially and academically. Five years ago, Kentucky's Webster County school district faced drastic budget shortfalls caused by waning revenue from local property taxes. But after debating whether to close one of the district's seven schools, officials

decided instead to institute a Tuesday-to-Friday schedule, which to date has saved more than \$300,000 on transportation, utility and insurance costs.

Student absenteeism has also fallen remarkably in Webster County. Ditto for teachers, which means fewer resources are being used to pay substitute teachers. Administrators also credit the schedule change for significant academic gains. The 2,000-student district went from being ranked 111th in the state on standardized tests in 2003 to 53rd last year. Says Riley Ramsey, district director of personnel and technology: "We took our budget savings and plowed it right back into instructional content," such as hiring one-on-one tutors and extending kindergarten hours.

Despite such optimistic reports from Webster County and several other districts that have switched to four-day weeks, many experts believe that, if anything, American youth should be spending more days in school than they already are. Most states mandate a minimum of 180 school days a year. That's three weeks shorter than nearly every industrialized nation in Europe and Asia, where pupils regularly outperform U.S. students in math, science and reading. In China and Korea, for example, school is in session more than 220 days a year.

For many districts, the four-day week is the only way to keep from having to eliminate athletics and other extracurriculars

Closer to home, a San Francisco-based network of charter schools called the Knowledge Is Power Program keeps its 16,000 students in class 60% longer than a typical public school, and last year 100% of its eighth-grade classes outperformed their district averages in both language arts and mathematics on state-administered exams. "All the evidence says the more hours our schools are open, the better off our kids are," says Jennifer Davis, president of the National Center on Time and Learning, a Boston research-and-advocacy group devoted to extending school schedules. "Cutting days puts our country's economic future at risk."

For parents, a more immediate concern with four-day school weeks is what to do with younger kids on the fifth day, a burden administrators often acknowledge in letters they send home explaining the new policy. One district in central Minnesota that is launching a Tuesday-to-Friday schedule on Sept. 2 is trying to help families with child-care issues by training high schoolers as babysitters. But many families can't afford to hire outside help. "You're likely to see a lot more kids staying home alone," says Strange. "That only leads to trouble."

Parents also worry that their children won't have the time—or the energy—for after-school activities. "Some people caution an eight-hour day is already tough for younger kids," says Marc Egan, federal-affairs director for the National School Boards Association, based in Alexandria, Va. But for many districts, the four-day week is the only way to keep from having to eliminate athletics and other extracurriculars. The extra day off also gives students more time to work on projects or at a part-time job. "Now that economic tides have turned, this is a godsend for families where kids' jobs are helping make ends meet," says Webster County superintendent James Kemp.

Despite initial resistance, communities appear to have been overwhelmingly won over by the four-day school week. South Dakota's Custer school district adopted a Monday-to-Thursday schedule in 1995, and nearly 90% of parents now support it. Superintendent Tim Creal says the kids are more engaged in their studies, and though test scores have not changed significantly, teachers feel they cover 20% more material because of longer classes each day and less absenteeism. Creal wouldn't think of going back to a five-day week. "I'd be tarred and feathered for even suggesting it," he says. Which also means it's unlikely summer vacation will get downsized anytime soon. ■

Point-and-Shoot Shopping. Popular in Japan, camera phone-based technology could turn U.S. handsets into storefronts

BY KATE BETTS

THE HUMBLE BAR CODE IS GETTING HIP. And with it, a luxury brand hopes to usher in a revolution in U.S. retailing. Later this month, in a campaign pegged to tennis' U.S. Open, Ralph Lauren will start helping American consumers use their camera phones to experience Japanese-style point-and-shoot shopping.

To promote mobile commerce in the U.S., Lauren is putting a newfangled bar code called a QR code—short for “quick response”—in his company's store windows and on its advertisements and catalogs. QR codes were created in 1994 to track auto parts during manufacturing since the codes can carry large amounts of quickly scannable data. Today in Japan, millions of mobile-phone users swipe their handsets over codes on billboards and magazine pages to link to websites with additional information and,

of course, to shop. In Europe, a company called BlueCasting offers a Bluetooth-based system to download video clips and music from codes printed on otherwise ordinary-looking posters.

Lauren discovered the technology on a trip to Tokyo, where his design team observed shoppers using their handsets to scan and buy items. In the U.S., all consumers need to get started is a phone that can take pictures and surf the Web. After texting a QR to 65056, they'll receive a reader that can scan QR codes. In addition to merchandise, shoppers can use their handsets to access articles, videos and sports scores on the Ralph Lauren site. “These days fashion has to be integrated with technology,” says David Lauren, advertising chief for Polo Ralph Lauren. “This is just one more way we can do that.” It's also one more way consumers can shop until they drop—or their cell-phone signal does.

HOW IT WORKS

1

ADVERTISEMENT
Look at an ad on a billboard or in a store window or magazine



2

QR CODE
Locate the quick-response code, which has a lot of scannable data



4

PURCHASE
Buy something the same way you would on a desk- or laptop



3

CAMERA PHONE
Take a picture of the code, which automatically links to a website

LITIGATION NATION

Got Grievance? For answers, see WhoCanISue.com

As if there aren't enough people suing each other, a new website aims to make the process even easier. Starting next month, WhoCanISue.com will ask users a set of questions about their grievances to help determine if they have a case worth pursuing.

What sets this

site apart from, say, SueEasy.com is real-time access: users can, with the click of a mouse, IM or request a call from lawyers who advertise on the site.

The proliferation of legal matchmakers worries critics like Miami attorney Richard Sharpstein, who says, “It encourages, if

not creates, lawsuits.”

But WhoCanISue's founder, Curtis Wolfe, maintains his service could just as easily help someone realize that his case has no legal basis—or that even if it does, it won't generate enough money to interest an attorney to take it on.

—BY SIOBHAN MORRISSEY





The Off-Line American

McCain admits he's a Net newbie. But does that affect whether he should be President?

IT'S HARD TO TELL EXACTLY how much or how little John McCain knows about the Internet. In January he spoke to Politico.com about his computing habits: "I am an illiterate that has to rely on my wife for all of the assistance that I can get." In July he confessed to the *New York Times* that he has people surf the Web for him. "I don't e-mail," he added. "I've never felt the particular need to e-mail."

Since then, his staff has done some backpedaling on the subject, but it's pretty clear that McCain is not leet (elite, in hacker parlance), and he is definitely not 1337 (even more elite, in hacker parlance). On the grand scale of wired politicians, he's probably somewhere between recently indicted Alaska Senator Ted Stevens, who famously described the Internet as a "series of tubes," and our current President, who once proudly explained to CNBC's Maria Bartiromo how he uses "the Google." (As for Obama, he's well known to be a BlackBerry addict.) What exactly does it mean that the next President of the U.S. might be a newbie?

McCain is an example of what, under the Clinton Administration, used to be called the digital divide. Back then it was the cause of much gnashing of political teeth; in his 2000 State of the Union address, Clinton announced a "national crusade" to take the Internet to those who didn't have it. That year 41.5% of Americans were online, according to U.S. Census numbers. This past May a survey by the research firm Parks Associates found that 82% are. The off-line American has gone from a disenfranchised minority to an endangered species.

But the great cybercrusade hasn't reached McCain. We could just shrug and assume that McCain, at 71, is typical



of his age group, but that's actually not the case. While it's true, according to the Pew Internet & American Life Project, that only 35% of Americans over the age of 65 are online, if you look at the subset for McCain's race, gender and education, the number is more like 75%. McCain is way behind.

Does this mean he shouldn't be President? On a practical level, it's a nonissue. If President McCain needs to watch the new Rihanna video on YouTube, he can wave his little finger and eight Secret Service guys will hook him up.

What's more worrying is the idea that McCain is disconnected from the

social, cultural and economic realities of the Internet. We are way past the point where we can treat the Internet as if it were some kind of nerd Narnia only tangentially connected to the real world. In the next few years, the President is going to have to make decisions about Internet surveillance, Net neutrality, cyberwarfare (which, after years as an urban myth, has become quite real) and online privacy, just to name a few issues.

And more than that, the structure of a networked world is hard to understand if you haven't spent some time as a node in that network. The centerlessness, the irrelevance of geography, the propagation of information, the Friedmanian economic flatness, the semi-anonymous contacts with millions of other people—if you can't grasp that structure, how can you lead the people who live

and work in it?

If there's a bright side to McCain's Internet illiteracy, it's that at this point most of the rest of us are trying to figure out how to send less e-mail, not more. The Internet, conceived as a research and productivity tool, has become a weapon of mass distraction. Last year a joint study by Microsoft and the University of Illinois found that it takes, on average, 16 min. 33 sec. for a worker interrupted by an e-mail to get back to what he or she was doing. Companies like Intel and Deloitte & Touche now have e-mail free days to boost productivity. In June, Microsoft, Google and IBM, among others, formed the Information Overload Research Group to study the problem.

Perhaps the Clinton crusade has worked too well. Now we're trying to jump back across the digital divide. Who knows? Maybe McCain will be our most productive President ever. He's so behind the times, he's way ahead of them. ■

It takes, on average, 16 min. 33 sec. for a worker interrupted by an e-mail to get back to what he or she was doing

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Farm fresh Goats near Hopewell, N.J., far left, are slaughtered on site before chef Michael Psilakis makes roasts, chops, pâté and more

the barbecue. Lamb and goat were a big part of his growing up in a Greek family on Long Island, N.Y.—not just cooking them but killing them too. And his successes as a restaurateur—one of his places, Anthos, was recently nominated for best new restaurant in America by the James Beard Foundation—apparently haven't slaked his thirst for warm, runny death. "I've slaughtered just about everything there is to slaughter," he told me. "It really makes you respect the food." I couldn't do this barbecue right, he said, unless I was there for the slaughter.

Ultimately, it was the right thing to do—or at least the typical thing. Few supermarkets sell goat, and those that do are likely to offer it frozen from as far away as New Zealand. That's because most U.S. slaughterhouses won't process goats—at 65 lb. or so (30 kg) on the hoof, a goat doesn't have enough meat to make the kill worth it in the era of factory farming. So rookies in the goat-raising business are warned that they may have to provide a place on the farm where customers can kill the animals they pick out.

Our place was behind a barn near Hopewell, N.J. Logistically, it was pretty easy; all we needed were a sturdy rafter, some twine, a sharp knife and a bucket. Emotionally, though, it was more complex. Meat is, unavoidably, murder. But we were quick and merciful, and I think assisting in those two deaths made me a more conscientious carnivore, just as Psilakis had promised.

After we skinned the goats and dressed them, we aged the meat for a day, and then in a nod to enthusiasms for chevon around the globe, we used one goat to cook an Indian curry, a Mexican *birria* and an Italian *capretto*. Psilakis also kicked in a stunning *kokoretsi* (sort of a Greek haggis) plus sausages and a terrine—all terrific dishes made primarily from offal.

The coup, though, was the whole roasted goat. There are full instructions on Time.com, but Psilakis essentially trussed the entire animal (sans head!) to the spit and roasted it over indirect heat for six to seven hours, basting it constantly with a mix of lemon juice, olive oil, oregano and salt and pepper.

Goat is a lean meat, but when it's cooked slowly like this, it is completely tender and flavorful, like a fortuitous cross between pork and beef. It was good. So good, in fact, that if goats really go to hell, with all that slow roasting and fire, I might just want to join them there. ■

FOOD

Getting Your Goat. With the help of a top chef, learning how to grill (and kill) a rising star among American meats

BY NATHAN THORNBURGH

ALL GOATS, APPARENTLY, GO TO HELL. THE Bible is quite clear about this in the Gospel of Matthew: when Christ returns, he'll separate the goats from the sheep and send the sheep up and the goats down.

That is a shame. In the 20 years my uncle has spent raising goats, I've known the animals to be extremely cute and fairly intelligent (for livestock) and, importantly, delicious. So when it came time to have a big summer barbecue, I thought of the long-maligned goat. Sure, it has been absent from American haute cuisine since, well, forever, even as meat fads like emu and ostrich have come and gone. But it's one of the most popular meats in the world, and immigrants from South Asia, the Caribbean and Latin America are im-

porting a taste for it to the U.S. There's a lot for nonimmigrants to like too. It has much less cholesterol and saturated fat than beef or pork and is much easier on the environment. Goats have small hooves that don't tear up pastures, and they don't need a lot of expensive grain or water.

Even though the number of U.S. meat goats is on the rise (up 25% since 2005), if you want fresh goat meat, you might have to kill it yourself. That's what we did.

I had enlisted Manhattan superchef Michael Psilakis to be a guru of sorts for



Video on Time.com

For roasting instructions and other goat recipes, go to time.com/goat

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Rich pickings
A diver catches tuna
in a fattening pen
near Port Lincoln,
South Australia

ENVIRONMENT

Sashimi on Demand? As bluefin-tuna numbers plummet, an Australian says he's found a way to farm the migratory fish

BY ROY ECCLESTON/PORT LINCOLN

THERE'S A LOT ABOUT TUNA THAT HAGEN Stehr still doesn't understand, but he's sure of one thing. "When I was young, I could make love anywhere—in the street, on the boat, in the park, anywhere," booms the 66-year-old fishing magnate from Port Lincoln, South Australia. "Later in life,

you gotta have the bedroom, the light ... Everything's gotta be nice and soft; the ambience gotta be right. With tuna, it's no different. Everything's gotta be right."

For the endangered southern bluefin tuna, prized in Japan for its texture and taste as sushi and sashimi, that in-the-mood feeling happens in only one place: the warm waters of the Indian Ocean

south of Java, Indonesia. But Stehr, a German immigrant who has built a seafood empire worth about \$230 million, claims to be close to changing that. He's convinced that he can sate the voracious international appetite for the oily red flesh of southern bluefin without putting more pressure on diminishing wild stocks, now estimated to be at less than 10% of their 1960 numbers.

Through his company Clean Seas Tuna, the former French Legionnaire and seaman has engaged fish-breeding experts to create just the right ambiance to get southern bluefin feeling frisky.

Their answer is a kind of fishy virtual reality, bringing the Indian Ocean indoors to a hatchery at the hamlet of Arno Bay, 75 miles (120 km) north of Port Lincoln. In a breakthrough announced in March, Clean Seas claimed a world first by collecting fertilized eggs from breeding stock—about 20 tuna weighing 350 lb. (160 kg) apiece and kept in a giant indoor tank. Sleek, dark shapes with a line of tiny, bright yellow fins down their backs, the tuna circle endlessly, apparently convinced that they have

traveled far to the north, to their spawning grounds. It may be fall outside, with a sea temperature of 62°F (17°C), but inside it's summer, with 14 hours of daylight and water at 73°F (23°C).

"Tuna is an ocean fish. They don't like to be confined," Stehr says in a still strong German accent. "That's how you gotta keep it." The fish are convinced they're on a long journey by changes in light, temperature and current. Without leaving the tank, the fish think they're swimming out of the Australian Bight, south over the continental shelf and then west and north, around Western Australia and up to their spawning grounds near the Timor Sea. They've now spawned three times and produced eggs and larvae. The next step is to feed the right plankton to the millions of larvae so they develop into tiny fish, eventually to be farmed in offshore pens. "Out of 10 steps, we're probably at No. 3 or 4," says Mike Thomson, Clean Seas' research-and-development manager.

'Marketing will be a challenge, but how can you not sell fish when there's a shortage of the good stuff?'

—PETER DUNDAS-SMITH, SEAFOOD COOPERATIVE RESEARCH CENTRE

The company says it's prepared to spend an additional \$100 million to reach its goal.

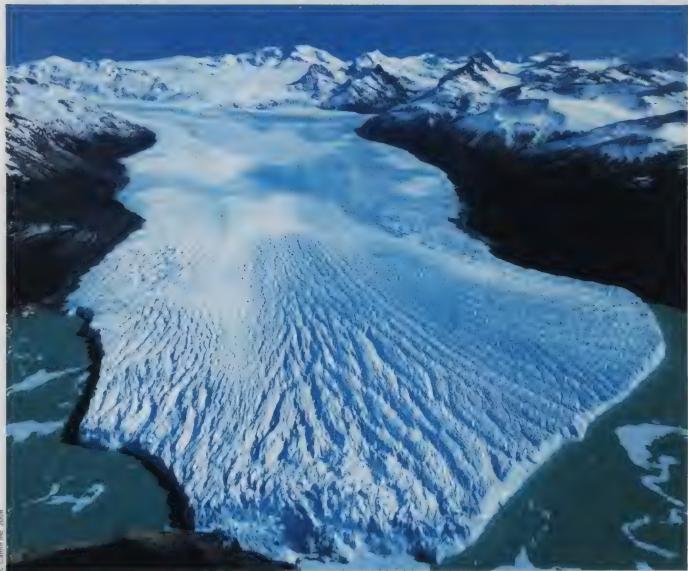
Some in the tuna industry are deeply skeptical that Clean Seas will succeed. Even if it does, they doubt the fish it produces will fetch a high enough price to make the operation pay. The naysayers—those who spoke to *TIME* chose to remain anonymous—are wrong, argues Peter Dundas-Smith, chairman of the Australian Seafood Cooperative Research Centre, a government-industry joint venture.

There's a huge demand for high-quality species like tuna, he says, and with the

Farm fresh Clockwise from top left: diving into an offshore pen; harvesting and icing the catch aboard ship; grading the quality of the flesh; cleaning and packing the fish for market



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world population heading for 7 billion, consumption of seafood is growing. The U.N. Food and Agriculture Organization says that demand for fish will rise dramatically in the next few decades and that aquaculture will be crucial for supplying an extra 40 million metric tons of seafood a year by 2030. "He will crack it; it's only a case of when," Dundas-Smith says of Stehr. "Marketing will be a challenge, but how can you not sell fish when there's a world-wide shortage of the good stuff?"

Southern bluefin is the good stuff—the ultimate sashimi. Left alone, the tuna lives to 40 and can reach more than 6½ ft. (2 m) and 440 lb. (200 kg). But it hasn't been left alone. While it can hit speeds of 43 m.p.h. (70 km/h) and dive deeper than 1,600 ft. (500 m), the path of its annual migration, from Indonesia into the waters of southern Australia, is well known to fishing fleets. And since it starts spawning only after nine years and is usually caught much younger, southern bluefin hasn't reproduced enough to repopulate. In the 1960s

Fishy Business

To see more of Trent Parke's photos of tuna being harvested, go to time.com/tuna

In the bag The matured and fattened tuna are lifted from their ocean pens. Average-size southern bluefin fetch about \$600 each

fishers took 80,000 metric tons, mostly for canned food. As stocks dwindled, the catch was limited to about 12,000 metric tons a year for Japanese, Australian and New Zealand operators.

Stehr remembers hard days in the 1980s, when the quotas and low prices threatened to wipe out local Port Lincoln operators. Then the tuna men had the brilliant idea of netting their quota of just over 5,000 metric tons, towing it slowly into the port and holding it there in pens to be fattened on pilchards and anchovies for a few months. Profits surged as the weight of the average fish doubled to more than 70 lb. (32 kg) and links were forged with the lucrative Japanese sashimi trade.

Today Australia exports some 10,000 metric tons of bluefin, worth almost \$200 million—most of it frozen. Almost all of it is harvested, pulled from harbor pens onto waiting ships to be killed. Japanese buyers like Yoshio Koga of Nihon Marine grade the fish by checking the flesh in the tail. Koga wants fish that are fat, red and oily, especially in the cherished *toro*, or belly meat. They can be on sale in Tokyo's giant Tsukiji fish market within three days.

Stehr's catch quota of about 300 metric tons makes him one of the bigger Australian operators. But if his plan works, by the end of 2009 his company will be selling farm bred tuna without any quota restrictions. He's aiming for at least 5,000 metric tons a year.

Won't that drive down tuna prices? With demand for sashimi grade fish in Japan at about 500,000 metric tons a year, Stehr insists that Clean Seas won't flood the market. In fact, Japan may not be the market Stehr is aiming for, at least initially. Since tuna grow at less than 2.2 lb. (1 kg) a month, stock next year would probably be only about 15 lb. (7 kg), too small for many of Japan's sashimi buyers. Stehr thinks the Japanese may still want the smaller fish but sees the U.S., China and Europe as alternative markets. Growing global demand will drive up prices, he says: "I used to catch 1 [metric] ton of tuna for \$45. Now we get \$70,000 for one fish." That was unusual, though. The Japanese price today is about \$23 per kg (\$10.30 per lb.) for fresh southern bluefin, putting the cost of a typical fish at \$600.

And Stehr first must produce some fish. He points out that he's already proved doubters wrong by being the first to propagate yellowtail kingfish; he has about 5,000 metric tons of growing fish in offshore pens at Arno Bay. But tuna can be trickier to deal with. "You look at a fish wrong," he says, "and they keel over." Still, he has no doubt he'll succeed. "We have run the marathon," he says. "We're stepping into the stadium. Even if we fall now, we will crawl inch by inch."





French fly L'Avion
CEO Marc Rochet
focused on value
over expensive frills

STRATEGY

Under the Radar. How L'Avion, the lone business-class airline start-up to survive, got the critical choices right

BY BILL SAPORITO/PARIS

MARC ROCHET, CEO OF THE TWO-JET, all-business-class Newark-Paris airline L'Avion, will tell you exactly why his company is only 1 of 4 such start-ups to have survived this catastrophic year for air travel: "Because we weren't stupid." Survival, though, comes at a price. The company's parent, Elysair, was bought last month by British Airways's new OpenSkies subsidiary for \$108 million, as the two firms try to stake out a future in the deregulating but oil-shocked global marketplace.

L'Avion's lesson is about the critical choices that every new company has to make as it moves forward. Choose wrong, and you're dead. Case in point: at New Jersey's Newark Liberty International Airport, L'Avion is moving into the cushy lounge once occupied by the defunct Silverjet—a hermit crab occupying an empty shell. Rochet notes that L'Avion will pay a lower rent than Silverjet did and will share the facility to further defray costs. That will be quite an improvement over L'Avion's current lounge, a curtained-off part of the waiting area near the gate. It's a joke, to be blunt.

L'Avion could not afford mistakes in selecting airports, aircraft, service, frills and price. Says Rochet: "We debated hours and hours about the product. We came to two conclusions: Don't do crazy things. Silverjet had a private terminal in Luton airport in London. How can you afford a private terminal when you start with one flight a day?" The other was value for money. "Our value proposition since Day One was that we were offering all business class for a very reasonable price," he says.

Vive la differentiation. L'Avion's current fare range is \$1,600 to \$2,200 vs. Delta/Air France/Continental's \$4,900-to-\$9,330 business-class range. The difference in the service is at the margins. You will be

'Sometimes in industry, we need to choose. Do you put fuel onboard or do a frequent-flyer program? We think fuel is better.'

—MARC ROCHET, L'AVION CEO

plished with drink the moment you set foot on Delta or Air France, your seat will lie nearly flat, your frequent-flyer account will be fattened. You will also share the jet with about 200 people sitting in coach. At least you can feel superior to them.

L'Avion won't cosset you as much, but passengers are willing to trade off overflowing cocktails before takeoff and the frequent-flyer miles they can't use easily anyway to save \$3,000 to \$7,000. Most important, the seats are just as roomy as the majors' and recline 140 degrees. You can sleep comfortably. Since there are only 90 seats on the flight, boarding is less chaotic. There is no frequent-flyer program, says Rochet, because it would cost 8% of revenues. "Sometimes in industry, we need to choose. Do you put fuel onboard or do an FFP? We think fuel is better."

The three dead biz airlines—Eos, MAXjet and Silverjet—plied the London-New York route at prices that were steeply discounted too. It's a logical city pairing given the business traffic between the two financial centers. But American Airlines and British Airways were not about to cede their most profitable passengers. For instance, American, which has been brutal about picking off start-ups, began to fly to Stansted, MAXjet's London hub. Soon after MAXjet croaked, American yanked the flight.

L'Avion looked for shelter from the competition by getting slots at Paris' Orly airport, which are hard to come by, and by going for a higher proportion of leisure travelers, who might be lured from coach by the price and the prospect of not being treated like over-the-pond scum. Delta and Air France counterpunched with a J.F.K.-Orly flight, but it didn't last because too many of their passengers connect out of Charles de Gaulle, the bigger, better Paris airport.

The choice of aircraft proved crucial too. Silverjet and MAXjet used 767s; L'Avion, the smaller 757. Both jets can fly transatlantic, but the 767 is 30 tons heavier at takeoff. When fuel prices jumped, that difference was fatal. "Why choose an airliner with 30 extra tons of metal?" asks Rochet.

Rochet thinks L'Avion caught passengers pivoting in their buying habits. Businesses are eyeballing travel costs, and Web-enabled leisure travelers are booking L'Avion to Paris, say, then flying coach to Prague on a cheapie Euroliner. L'Avion will operate separately from OpenSkies in its violet-colored jets for now. It added a code-share flight with OpenSkies from J.F.K. to Paris, which gives L'Avion access to BA's passengers, while BA gets a jump start for its new discount airline. L'Avion may have lost its independence but not its business. This year, that's saying something. ■

You might not know it, but Seoul is home to 10 million people. It's also one of the world's largest metropolitan cities and it ranks in the top 10 business cities worldwide. Some of the world's largest corporations – including Samsung, LG Group, Hyundai, KIA Motors and Daewoo Corp. – are headquartered here and global corporations like HSBC, Microsoft, Pfizer and Nike have offices here.

The political, social and economic gatekeeper for the Republic of Korea, Seoul's strategic location also makes it the gateway to Northeast Asia. Fifty-one cities with populations over one million – including Tokyo, Shanghai, Beijing and Singapore – are within easy reach; just 3.5 hours away by plane.

Already an Asian hub for travel, Seoul is rapidly shaping itself into an ideal place in which to do business and to live.

The building blocks for this transformation are in place.

The nation ranks fourth in the world in terms of its tertiary education levels, giving Seoul a highly skilled, highly trained pool of human resources.

As the digital age unfolds, other nations look to Seoul as a world leader in digital development. Internet penetration was at 91.8 percent by the end of 2007, and each household had, on average, 1.04 personal computers. With so many tech-savvy users, Seoul is well positioned as a global test market for new high-tech gadgets.

Seoul is also undertaking a whole host of improvements, including to its infrastructure. Developments include the massive Public Transportation Reform, upgrading its subway system so as to provide a safe and efficient inter- and intra-city network. Coupled with an already top-ranking international airport (Incheon International Airport), a strong port connecting the Korean Peninsula with China and a high-speed rail system linking the whole country by bullet train, Seoul is set to become a reliable portal between Korea and the rest of the world.

Reforms to living conditions are also underway. The Ministry of Commerce, Industry & Energy and Seoul Metropolitan Government (SMG) have a five-year plan, growing the number of world-class hospitals, the number of international schools and improving the quality of residential facilities.

Seoul Rising

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SOUL OF ASIA

The Korean capital enters the world arena as a clean and attractive investment and tourist destination

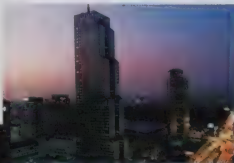
The US Military base in the Yongsan area will be transformed into an international business district and green park, which will serve as an ideal place to do business and live.





The 405-km-long Hangang (ae Han River) divides Seoul into two parts: Gangbuk (old city) & Gangnam (new city).

Korea World Trade Center located in Samseong-dong, the busiest business district in Seoul.



Seoul N Tower & Palgokjeong

The Global Zone project, launched in January 2008, is another major initiative by SMG to create a clean, convenient and appealing city in which to live and invest.

A key aspect of this initiative was the establishment of the Seoul Global Center in downtown Seoul in January. The Center is a one-stop service destination for international residents and visitors, offering assistance with everything from drivers' licenses to immigration and marriage certificates. Global Business Zones, Global Village Zones and Global Cultural Exchange Zones will operate across 15 special areas free from language barriers.

The Global Business Zones play a major role in transforming downtown Seoul into an international economic hub, offering business support and advice to overseas companies looking at investment opportunities in Korea.

Along with advice, SMG will also provide financial support to international investors in certain industries.

The industries to benefit include digital content. SMG is developing Digital Media City (DMC), a high-tech industrial center offering international IT, broadcasting, media and entertainment companies direct access to Korea's market-leading technology. DMC will also provide tax and rental incentives to business tenants.

Likewise, multinational corporations in Seoul will receive R&D support. Korea is already well ahead of the curve in R&D, and, with 170 foreign corporations and research institutes operating in Seoul, it's clear the world agrees.

Magok R&D City will further enhance Korea's groundbreaking status. Located waterfront in Seoul, Magok R&D City will boast close proximity to airports, an advanced transportation system, a highly skilled local workforce and partnerships with other R&D clusters.

With its financial services industry growing at a rapid 7 percent a year and with 81 financial companies calling Seoul home, the city has a strong base on which to establish itself as an international financial center. SMG and AIG will together build on this foundation with Seoul International Financial Center (SIFC) in Yeouido. By 2010, SIFC will be home to office buildings, two hotels and two retail malls – the ideal location for foreign companies to set up shop.

One hundred years ago, Seoul was no more than a grid of dirt roads. Now, it's en route to becoming a clean and appealing hub for regional and international investment and a destination that consistently tops travel and quality of life rankings. Watch this space – this is merely a taste of things to come.

Fast facts on a rising Seoul

GRDP at USD 194 billion (2006)

Population at 10,421,782 (2007)
(Foreign population at 229,072)

Ranked ninth in the 2007 and 2008 MasterCard Worldwide Centers of Commerce Index

Foreign Direct Investment to Seoul at USD 6.4 billion (2006)

Mobile ownership at 78%

Internet penetration at 91.8%

Broadband penetration at 25.5%
(Highest in the world, with prices the second lowest globally, at USD 0.08)

Ranked first on the Digital Opportunity Index in 2005 and 2006

61 world-class hospitals

19 international schools

1,953 parks

85 international conferences held in 2006, ranking 7th

116 performing arts centers with 31,245 performances a year

25,000 shops open 24 hours a day in Dongdaemun Fashion Town



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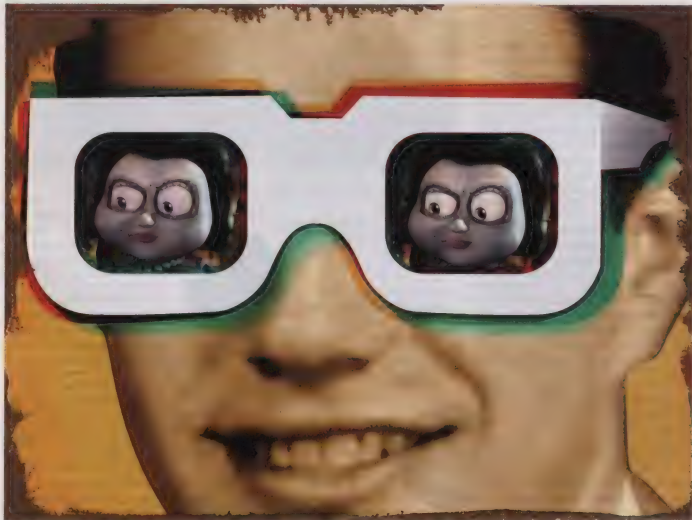


Woody Allen spins a pretty romance under the Spanish sun

MOVIES, PAGE 59

Arts

MOVIES BOOKS ARCHITECTURE DOWNTIME



MOVIES

Don't Duck!

New 3-D movies are coming at you as the retro format is reborn for the digital age

BY REBECCA WINTERS KEEGAN

THE BRICK ROAD WASN'T JUST YELLOW. IT was school-bus-parked-on-the-surface-of-the-sun yellow. That's because when *The Wizard of Oz* premiered in 1939, Hollywood was still testing its newest toy, three-color Technicolor, and studios wanted to astonish audiences with supersaturated hues.

Today Hollywood is looking to 3-D movies—now enjoying a digitally fueled renaissance—to make an impression as

lasting as Dorothy's ruby slippers. The first feature films shot and shown in digital 3-D—bugs-in-space toon *Fly Me to the Moon*, Brendan Fraser's volcano-diving *Journey to the Center of the Earth* and concert movies by U2 and Miley Cyrus—leaped into moviegoers' laps this year. In 2009 at least 10 more 3-D movies will arrive, including James Cameron's sci-fi epic *Avatar*, DreamWorks' *Monsters vs. Aliens* and Pixar's *Up*.

"Over the next couple of years, we'll get our *Gone With the Wind* and our *Citizen*

Kane," says Michael Lewis, CEO of Real D, a company that equips movie theaters with digital 3-D technology.

Techno-impresarios like Lewis have been trying to push 3-D movies beyond newfangledness virtually since the beginning of cinema (see box). But there's good reason to believe that today's audiences will enjoy 3-D as a quality that's essential to any blockbuster, like color and sound, even if it does require those retro glasses.

Making a 3-D movie involves filming an image from two perspectives: one representing the left eye, the other the right. When synchronized and watched through glasses that allow each eye to see only its own movie, the two films create an illusion of depth. Until recently, perfect synchronization was nearly impossible, and production and exhibition were cumbersome. Digitization has eliminated many of the flaws of old 3-D movies—like nausea and headaches brought on by poor synchronizing—and has motivated studios to push the format on exhibitors and filmmakers. "It's an important part of our business going forward," says Alan Bergman, president of Walt Disney Studios, which will release an animated canine-superhero movie, *Bolt*, in 3-D in November, as well as all its future Pixar films.

Studios have plenty of reasons to back the format. Screenings in 3-D create an experience that audiences can't get on their sofas—or pirate. (At least not yet.) The 3-D-capable home-entertainment systems widely available in three to five years won't replicate theaters either, because giant screen size is the key to creating the sense of depth. The first batch of films released in both regular format and 3-D made nearly three times as much money on 3-D screens, thanks to higher demand and ticket prices (3-D movies cost \$1 to \$5 more). However, only about 1,000 U.S. screens are currently equipped to show digital 3-D movies, not nearly enough to fuel a blockbuster like *The Dark Knight*, which opened on more than 9,000 screens. By 2010, industry analysts expect more than 7,000 digital 3-D screens in the U.S. To persuade more cinema owners to make the switch, studios are relying on an early crop of films to show the medium's potential.

The New Pioneers

TODAY'S DIGITAL 3-D DIRECTORS are flaunting what they've got, which is the power to make a bodily, almost primal impact on audiences. "You react to a film intellectually with your head and emotionally with your heart," says Ben Stassen, director of *Fly Me to the Moon*, a tale of three



Digital depth Fraser, Josh Hutcherson and Anita Briem, from left, in a 3-D *Journey*

A Brief History of films in which stuff jumps OUT at you!

Inventors have tinkered with the format since the late 19th century. Broadway movie houses showed 3-D novelties in the 1920s. But 3-D exploded as a golden fad in the '50s.

THE BIG WAVE

BWANA DEVIL, 1952 A LION IN YOUR LAP! the ads teased for this first 3-D hit. And a native's spear between your eyes.

► **HOUSE OF WAX, 1953** Wax corpses! Vincent Price! And a pitchman whacking a paddleball into the audience.

DIAL M FOR MURDER, 1954 Grace Kelly grabs the scissors in this Hitchcock thriller. Watch your eyes!

THE SECOND WAVE

THE STEWARDESSES, 1970 This hugely profitable sex romp put the good parts out front.

◄ **JAWS 3-D 1983** One of several franchises (*Friday* the 13th, *Amityville*) whose third episode was in 3-D.

THE NEW WAVE

WINGS OF COURAGE, 1995 The first narrative film in the IMAX process, from *The Name of the Rose* director Jean-Jacques Annaud.

GHOSTS OF THE ABYSS, 2003 James Cameron's follow-up to his *Titanic* was this IMAX feature about his dives to search the great ship.

► **BEOWULF, 2007** Robert Zemeckis' innovative effects brought the format to a new maturity. The big 3-D effect? Spears between your eyes!

—BY RICHARD CORLISS

tween-age houseflies who hitch a ride on Apollo 11. "But in a 3-D film, you have a very strong physical component: you can actually make your audience duck." When Stassen's houseflies buzz over a field, it's like riding in a bug-size roller coaster, weaving between giant blades of grass.

Playing to those expectations, *Journey to the Center of the Earth* director Eric Breig booby trapped his movie with zooming yoyos, flying fish and skittering bugs. "I felt I had to do things I wouldn't do if I were making the same film in five years," says Breig, whose experience creating films for theme-park rides reveals itself here. "People putting on 3-D glasses or paying a little extra to see a movie in 3-D at this point in cinema are expecting to have things blatantly launched into the audience." But in a scene in which incandescent birds appear to flutter out of the screen, Breig shows 3-D's subtler potential: the effect transplants viewers from their theater seats to the lush core of Jules Verne's earth.

Such transporting moments make it tempting to imagine what directors outside the action and animation genres might do with 3-D. Would the Parisian courtesans in Baz Luhrmann's *Moulin Rouge!* cancan off the screen? Could the leaves of Terrence Malick's *Edenic New*

World brush our cheeks? "3-D can be intimate, scary, claustrophobic, expansive," says Charlotte Huggins, who produced both *Journey to the Center of the Earth* and *Fly Me to the Moon*. So far, most 3-D-movie makers agree on one criterion: "If the movie takes you somewhere that you dream about going to and probably aren't going to get to, it belongs in 3-D," says Greg Foster, president of IMAX Film Entertainment, which transfers regular-format movies like *Polar Express* into 3-D and is rolling out a new digital 3-D system this year.

On the other hand, says Foster, "If someone decides they want to do *My Dinner with Andre* in 3-D, it's not for us." It's estimated that 3-D increases a film's below-the-line production costs 25% to 30%, and for some actors, the notion of wrinkles and love handles in 3-D adds considerable anxiety. Then, too, at this point only a small niche of Hollywood has the technical know-how for the process.

What worries some 3-D trailblazers is that studios might see the format as a way to punch up a mediocre story. That shortcut may work for a while, but eventually the hope is that 3-D will become just another weapon in a filmmaker's arsenal, as useful and unremarkable as the color yellow. ■



MOVIES

Latin Lovers. A fine Spanish romance from a man who sees passion as comedy



BY RICHARD CORLISS

CRISTINA, A YOUNG AMERICAN abroad—and as incarnated by Scarlett Johansson, a great American broad—is all set to fall into the bed of her wished-for Latin lover, Juan Antonio (Javier Bardem). He wants to seduce her gently, but she can hear her erotic meter running. “If you don’t start undressing me soon,” she says, “this is going to turn into a panel discussion.”

That’s about the only joke in *Vicky Cristina Barcelona*, Woody

Allen’s very pretty romantic comedy. Allen is long past peppering his scripts with killer aphorisms. Why should his characters crack wise, he thinks, when their antics and anxieties are so amusing?

Cristina has come to Barcelona with her friend Vicky (Rebecca Hall, who played Johansson’s romantic rival in *The Prestige*). They hook up with Juan Antonio, one of those artists found so often in fiction whose true vocation is in winning and discarding the hearts of the many women who come to his

Gaudi days, gaudy nights
Bardem, Cruz, Johansson and Allen on the Barcelona set

bed. When he brings Cristina home, they are confronted by his volcanic ex-wife Maria Elena (Penélope Cruz), who has one of two reactions—kiss or kill—to the folks she cares for. She tried to kill Juan Antonio; with Cristina, she might settle for a kiss.

Like Henry James, Allen is a stern judge of Americans abroad: their sexual naiveté is no match for a society so expert in the art of gracious loving. Vicky is one of those Allen females whose insecurity comes out as hostility toward men; she castrates, or at least circumcises, them with every cutting word. Cristina is another Allen type: the artist manqué, who has the impulse to be creative but not the talent.

And like the two Americans, Allen is starstruck by the Spaniards. Bardem radiates a machismo so confident, it’s almost passive. Cruz, far removed from the shy grad student she plays in *Elegy*, here is a wonder of erotic pyrotechnics. Her crazy heat is irresistibly warming.

Allen’s view of this horny going-on-nuts quartet is serene, indulgent—the way God might watch the exertions of his more charming creatures. At 72, the director is entitled to see wayward passion as comic. He’s like the old man who, recalling how many times his heart has been broken, breaks into a grin. *Vicky Cristina Barcelona* hasn’t many laughs, but this romantic roundelay is so enticing, filmgoers are likely to smile out loud. ■

BOOKS

Divided Souls.

Dispatches from the dark side of childhood

BY RADHIKA JONES

THE DOCTOR IN THE TITLE STORY of Chris Adrian’s new collection, *A Better Angel* (Farrar, Straus and Giroux; 227 pages), is a junkie and a cheat, but that’s not his biggest




FIRST LINE
That November I’m nine and stealing candy from the supermarket; toys from the dime store; books from the bookstore.

problem. His biggest problem is that since first grade, he’s been hectorated by an angel who expects him to save the world, and he can’t even save his dying father.

A pediatrician by day, Adrian knows kids inside and out, and his vision of childhood is the opposite of idyllic. In *Stab*, a bereaved twin, mourning the loss of his brother to cancer, refuses to speak for two years; his silence is just one strand in a macabre tale that twists grief into brutality. Three of the stories grapple with 9/11 through children’s eyes. Here Adrian is uneven, but he reimagines the trauma of the event in ways

both fresh and full of horror.

Adrian’s language is powered by unflinching detail (a dead man’s open eyes have “the look of spoiling grapes”), and he’s at his best when in the sickroom, as in *The Sum of Our Parts*, in which a comatose soul trails the living around the hospital where her body lies dying. The title story, which combines dark comedy and deep pathos, is not only the standout of this volume but also one of the best stories published in recent memory. Adrian has been known as a writer’s writer, but with this book, readers would do well to stake their claim. ■



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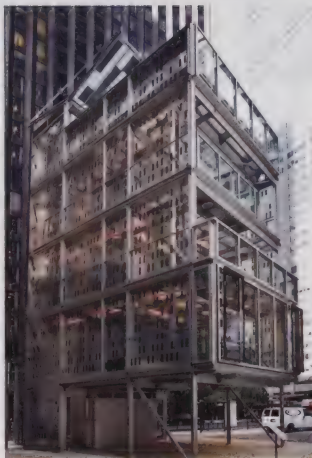
Home Thoughts.

The past and future of prefab housing

BY RICHARD LACAYO

IN 1920, BUSTER KEATON MADE a very funny silent short called *One Week*, about newlyweds who try to build a house from a mail order kit. Complications ensue. A big screen playing scenes from that movie is the first thing you see at "Home Delivery: Fabricating the Modern Dwelling," an exhibition on view at the Museum of Modern Art (MoMA) in New York City that charts the bumpy history of prefabricated housing. The show, which runs through Oct. 20, was organized by Barry Bergdoll, MoMA's chief curator of architecture, who was operating in a playful mood. There are lots of video-projection screens, a glass case displaying an Erector set, even a full-scale version of part of an all-steel Lustron house that must have been a very difficult place in which to be a frustrated 1950s housewife. (Try banging your head against *those* walls.) But this is also a scholarly show with a complicated agenda—to be the illustrated history of an idea whose time never quite comes.

And it's been a long time not coming. The first documented example of prefab is from 1830. Called the Manning Portable Colonial Cottage for Emigrants, it was a modular system devised by a London carpenter to ease his son's transition to Australia. But it was the rise of assembly-line manufacturing in the 20th century that gave real impetus to the idea that houses, just like cars and shoes, could be mass-produced. Early in the century, Thomas Edison came up with the Single Pour Concrete System. It involved pumping concrete into wooden molds to form houses like so many



Houses for all Prouvé's *Maison Tropicale*, above; Edison with a model of his concrete house, right



multistory cupcakes. In 1917 he deposited about 100 in and around Union, N.J., but a market never materialized. People just didn't warm to the idea of living in oversize knickknacks. And besides, the walls kept cracking.

Sears, Roebuck and Co. had better luck with its mail-order home kits. From 1908 to 1940, it sold about 100,000 in no fewer than 447 models that buyers picked from catalogs. Thousands of pieces would be shipped to the customer—lumber, shingles, siding, pipes, paint, plus, of course, the all-important assembly guide. (Lose that and you had a real

Built up Cellophane House, one of five houses on view at MoMA

puzzle on your hands.) The Sears houses sold precisely because they were in utterly conventional styles: Cape Cod, colonial, bungalow and so on. Nothing about them suggested the hand of any mad scientist-architect intent on designing a brave new home for mankind. Where houses are concerned, familiarity breeds contentment.

All the same, forward-looking architects have always found the idea of prefabrication irresistible. During World War I, Le Corbusier patented the *Maison Dom-Ino*. It was an easily reproduced slab-and-column structural framework, just the thing to support a resolutely modern "machine for living." In the 1920s, the intellectual plenipotentiary Buckminster Fuller devised the steel-and-aluminum Dymaxion House, a six-sided dwelling suspended by cables from a central steel post. And after World War II, the French designer Jean Prouvé came up with the *Maison Tropicale*, a metal-walled house attractive enough in its retro-modern way that one sold at auction last year for \$4.9 million. The buyer was the hotelier André Balazs, who plans to repurpose it as a resort bar in Costa Rica.

To this day, the prefabs that appeal to a large market are snap-together modulars in traditional silhouettes. No architects need apply. But over the past decade, quite a few architects have returned to the idea in the dogged belief that a factory-produced house that isn't pure kitsch can still appeal to buyers. One of the new mantras is mass customization. Design software and high-tech tools like computer-controlled laser saws make it possible to adapt a basic design to suit individual customers. To bring "Home Delivery" to a smashing conclusion, MoMA has installed five full-scale new houses, each by a different architect or firm, on an empty lot adjacent to the museum. The message is plain: prefab may have a checkered past, but it always has a future. ■

The rise of the assembly line gave impetus to the idea that houses, like cars and shoes, could be mass-produced

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Downtime



5 Things You Should Know About. Clone wars, vintage Broderick and the Belle of Amherst



MOVIES

Star Wars: The Clone Wars Directed by Dave Filoni; rated PG; out now

A cute marketing idea: take a few episodes of this fall's Cartoon Network spin-off, and get people to pay for them in theaters. But even if you saw this for free, you'd be getting robbed. A wooden story, leaden visuals and way too many Hutts. The franchise has sagged before, but this is its Darth Vader. **D-**



DVDS

War Games: 25th Anniversary Edition Directed by John Badham; rated PG; out now

A smart kid (Matthew Broderick, back when he was one) hacks into a NORAD computer with the power to Destroy the World. An early computer-dystopia movie, this clever thriller has antique charm and an abiding Hollywood message: Anything that can go wrong will—entertainingly. **B+**



TELEVISION

Architecture School Sundance Channel; Wednesdays; 9 p.m. E.T.

Some design shows fetishize houses and ignore the residents; others, like *Extreme Makeover*, are all about tear-jerking stories. But *School*, in which Tulane students build a home for Katrina victims, is a captivating look at how modern design works and the real lives it might change. **A-**



Skins BBC America; Sundays; 9 p.m. E.T.

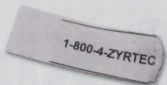
This British teen dramedy comes touted as "daringly realistic." Translation: lots of drugs and naughty bits! The realism doesn't extend to the exaggerated characters and plots, but if you focus on the sharp dialogue (and aren't an easily worried parent), these students earn a solid... **B**



BOOKS

White Heat By Brenda Wineapple; out now

At 31, Emily Dickinson sent a letter to the writer Thomas Wentworth Higginson asking what he thought of her poetry. More than two decades of flirtatious correspondence followed. This double biography reveals a captivating Dickinson—part seductress, part little girl, all genius. **B+**



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Michael

Kinsley

Say No to Class War. There's a new push for affirmative action by social class. As Mao's China showed, it's a terrible idea

OPponents and supporters of affirmative action all carry a picture in their heads of how things should work. In this picture, everyone in the world is lined up, from No. 1 to No. 7 billion, in order of their qualifications for a job, admission to a university or whatever. The job goes to the first person in line who wants it. Opponents of affirmative action say it's unfair to let anyone jump ahead because of his or her race. Supporters say, Unfair? Are you kidding? Affirmative action just gives people the same places in line they would have had if there had been equal opportunity.

This picture is wrong in many ways. What makes someone good in a job depends on a variety of factors that are hard to define or measure. They can't be used to line people up on the basis of a variable called "qualifications." Furthermore, race, or at least a diversity of racial backgrounds, often is a qualification. Finally, the benefits of affirmative action sometimes go to people who have already had equal opportunity and more.

Because racial affirmative action is such a raw sore on our body politic, some advocate a modification: affirmative action by social class. If you were raised barefoot and poor, you move up the line, past children of the rich and the upper middle class, no matter what your race or theirs. The idea is tempting. It would take race out of the picture. It would eliminate the galling (though still rare) sight of blacks from privileged backgrounds marching into Princeton past the crumpled bodies of working-class whites with higher SAT scores. And it would be truer to the principle of equal opportunity. It would be fairer. Barack Obama has half endorsed the idea, saying his own privileged daughters don't deserve the benefits of affirmative action. John McCain's views have been too contradictory to know for certain, but he also could be interpreted as being favorably inclined to something like this.

It's a terrible idea. It would do nothing about the principal complaint people have about affirmative action: that it violates the principle of merit. People with better qualifications would still lose jobs and university slots to people with worse qualifications, and their resentment probably wouldn't be mollified by the fact that the beneficiaries of this policy might be white. Moreover, it would put America in the business of labeling people and rewarding them according to a criterion—social class—which

would be a nightmare possibly even worse than race.

Although most African Americans are actually of mixed blood, defining who is black for purposes of affirmative action has not been very difficult. (Grotesque sometimes, but not difficult.) Defining concepts like "working class" or "rural poor" and then assigning individuals to their appropriate class would be far more challenging. And deciding exactly what degree of reverse discrimination each allegedly deprived social class is entitled to would be even worse. Today's affirmative-action battles, and the deep resentments they stir up (reasonably or otherwise), are nothing compared with the blood in the streets and the bitterness in the hearts of Americans denied a promotion after some tribunal ruled that they were upper middle class when the guy next door (who has a pool in his backyard, for crying out loud) got a precious "lower middle" classification and a handsome raise to go with it.

We don't have to imagine what it could be like. We have the example of China, which during Mao Zedong's time invented exquisite class distinctions and used them to distribute privileges. Children of former landlords were tarred and denied advancement in the new society. How would you like to be officially stamped as a "rotten element"?

Obviously, official social-class discrimination is unlikely to reach such extremes in American society. But it would bring out some of our less attractive characteristics, such as reverse snobbery, competitive umbrage and an overfondness for litigation as a way of slicing the pie.

It's fine to give an edge to people who have overcome remarkable challenges to get where they are. That is a genuine qualification, not just a gift certificate you get because of your race or social class. But we should not import into America a social problem—class distinctions—that we don't currently have much of. Affirmative action was never intended to be a general remedy for accidents of birth and the randomness of fate. It was specifically aimed at America's great problem of race. If we decide we're past that—which we shouldn't, because we aren't—it would be better to donate the whole contraption to the Smithsonian and move on than to try to refurbish it for some imagined postracial era. ■



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